



REQUEST FOR PROPOSALS
CSUSTAN-RFP-00000309-2022
AUXILIARY AUDIT SERVICES

**IT IS THE PROPOSER'S RESPONSIBILITY TO READ THE ENTIRE DOCUMENT
AND TO COMPLY WITH ALL REQUIREMENTS LISTED HEREIN.**

Issue Date: 09/01/2022
Proposal Due Date & Time: 10/11/2022 @ 2:00 p.m. PT

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1. INTRODUCTION

The California State University, Stanislaus auxiliary operations are recognized auxiliary organizations of the California State University (CSU) system. Their exclusive purpose is to provide designated support services to California State University, Stanislaus (University). The auxiliary operations are qualified, IRS Section 501 c(3), tax-exempt charitable organizations, chartered under the non-profit for public benefit laws of the State of California and authorized by the California Education Code, Section 89900 et. Seq.

California State University Stanislaus auxiliary operations are comprised of the following four (4) separate auxiliary organizations:

- Associated Students, Incorporated of California State University, Stanislaus
- University Student Center of California State University, Stanislaus
- California State University, Stanislaus Auxiliary and Business Services
- California State University, Stanislaus Foundation

The auxiliary operations provide a full array of support services to the campus, including food services, bookstore operations, student activities and events, and gift, trust and endowment administration. Combined annual revenues of are between \$5 and \$8 million per year, with assets in excess of \$38million. Campus auxiliary operations employ approximately 15 persons on a full-time basis and up to 50 part-time or casual student employees. University staff provides, on a reimbursed basis, accounting services using the PeopleSoft general ledger and enterprise management system. Currently, a number of non-PeopleSoft subsidiary ledgers are used to record gift activity and unitize endowment transactions, and a third-party service provider furnishes payroll services.

2. PURPOSE AND OVERVIEW

California State University, Stanislaus is seeking external financial statement audit services from one of the California State University's list of Approved External Auditors FY 2020-2021 (Qualified Firm). Auditing services will begin with the 2022-2023 fiscal year (ending June 30th) for its four auxiliary organizations listed above and as described in Section 4 of this Request for Proposal (RFP), the Scope of Work.

The objective of this RFP is for University to acquire services from a Qualified Firm, which, at a minimum, meet the requirements set forth in this document.

3. RFP SCHEDULE

Release of RFP:	September 1, 2022
Deadline for Questions/Clarifications:	September 15, 2022
Addendum Issued (if any questions/clarifications):	September 22, 2022 (estimated)
Deadline for Receipt of Proposals:	October 11, 2022 @ 2:00 p.m. (PT)
Finalist Presentations	Week of October 24th (estimated)
Notice of Intent to Award:	November 7th (estimated)

The RFP Schedule (above) may be modified at the option of the University; however, should the deadline for questions/clarifications or deadline for receipt of proposals change, an Addendum to the RFP will be posted in advance.

Potential bidders can view the RFP Advertisement and register to participate via the new CSUBUY web portal: [CSUBUY](#)

Questions regarding the RFP must be submitted online via the CSUBUY website by the “Deadline to Submit Questions” referenced above. Responses to questions and any addenda will be posted on the CSUBUY website for all potential bidders to review. The dates up to and including the “Deadline for Submission of Proposals” date may be adjusted upon advance written notice. Dates after the receipt of proposals may be adjusted without written notice. Additional RFP steps may be included at the discretion of the University.

PROPOSALS NOT RECEIVED BY THE DATE AND TIME SPECIFIED WILL NOT BE ACCEPTED.

4. SCOPE OF WORK

1. EXAMINATION OF FINANCIAL STATEMENTS

- a. The audit shall consist of an examination of the auxiliary organization’s financial statements to determine whether the financial statements present fairly the financial position and the results of the organization’s financial operations in accordance with generally accepted accounting principles. The audit shall be conducted in accordance with generally accepted auditing standards as adopted by the American Institute of Certified Public Accountants (AICPA). The examination shall conform with the auditing standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States; and Audit Guide for Auxiliary

Organizations issued by the California State University (CSU) system (Chapter 8 of the GAAP Manual). Qualifications are required to ensure that the Audit firm can issue an audit opinion under Government Auditing Standards (GAS).

- b. The examination shall also be made in compliance with the laws of the State of California, in particular California Code of Regulations, Section 42400 et. Seq. and applicable directive and executive orders published by the CSU system.

2. REPORTS REQUIRED

The following reports are expected at the completion of the audit in accordance with CSU guidelines

- a. Financial Statements (FASB) – An independent auditor’s report on the examination for each of the financial statements of the auxiliary organization including all funds and accounts. The auxiliary organization staff will prepare all financial statements (including notes) and supplemental schedules required for the audit and assist the auditors as necessary. Auditors will assist in the preparation of select footnotes. The auditors will provide to the governing board of each auxiliary a summary of the results of the audit with reference being made to section(s) of the report that contain the detailed descriptions of specific findings. The financial statements are required to be audited and performed under GAS regardless of whether the auxiliary is reporting under GASB or FASB.
- b. Supplemental Information – The GASB financial statement information must also be provided to California State University, Stanislaus for inclusion of the auxiliary financial information in the University Financial Statements; these reports are prepared by the auxiliary organization staff and included as supplemental information to the financial statements. The external audit firm will be required to review the financial statements and make sure that they are consistent with the CSU guidelines.
- c. Management Letter – A letter prepared by the auditor which may include findings, observations, opinions, comments, or recommendations with regard to systems of internal control, accounting systems compliance with laws, rules and regulations, or any other material matter that may come to the attention of the auditor during the course of the examination. Such findings, observations, opinions, comments, or recommendations shall not be construed as special or additional studies, but shall be limited to those usually associated with such an examination. The supplemental information should be included in the findings, observations, opinions, comments or recommendations, as well.

3. SCHEDULE OF REPORTS

- a. Reports – The auditor shall provide regular verbal reports to University Management in conjunction with the audit work performed as required by University (e.g., daily during audit field work, etc.).
- b. Deliverables – The auditor is required to submit one (1) original auxiliary organization Audited Financial Statements, Supplemental Schedules, Executive Summary, Management Letter and tax returns for each auxiliary outlined in Section 1- Introduction by the due date set forth annually by the CSU system or within 65 days of the fiscal year end (June 30th) whichever occurs first. Although tax returns may be extended (with written permission from University) as allowed by cognizant agencies, reviews of returns by respective boards shall be completed timely as required by guidelines expressed in accordance with new Form 990, Form 990T State Form 199 and RRF-1.

4. MEETING REQUIREMENTS AND DUE DATES

- a. A pre-audit conference will be held to review and set the schedule and particular scope of the audit. Given the complexity of the year-end closings and limited time available for post year-end fieldwork, the auditor is encouraged to complete as much work as possible prior to June 30th. During the audit, the auditor may be required to meet with various officials to discuss the audit or related matters. The auditors will present the reports to the audit committee/board of each auxiliary organization before the due date set forth annually by the CSU system or within 65 days of the fiscal year end (June 30th) whichever occurs first.

5. TERM

The selected Bidder will begin work no later than April 15, 2023 for audit services for fiscal year 2022-2023 (July – June).

The initial audit term will cover fiscal years 2022-2023 through 2026-2027. The engagement term will be for five (5) years, with the option to renew for two (2) additional years at the sole discretion of the auxiliary governing board. Based upon an annual evaluation of performance, the governing board will determine continued engagement of the accounting firm using the following criteria:

- a. Did the firm meet all audit requirements, including the instructions, procedures, and format called for by the CSU for auxiliary organizations?
- b. Did the firm maintain an audit schedule which met specification requirements?
- c. Were reports and recommendations timely, clear, complete and fair?
- d. Was the firm responsive to special procedures?
- e. Is the firm an approved audit firm listed on the California State University's list of Approved External Auditors?

6. ADDITIONAL SERVICES

- a. In the event disclosures in the audit indicate extraordinary circumstances which warrant more intensive and detailed services, the auditor shall provide all pertinent facts relative to the extraordinary circumstances together with the fee basis for such additional services to the auxiliary organization's audit committee and management for consideration, if different from the hourly rates proposed for this engagement. If not, please state so.
- b. During the course of normal operations, the auxiliary organizations may occasionally look for assistance and opinion on general accounting matters not necessarily audit related. The firm shall provide a fee schedule for assisting with these types of inquiries, if different from the hourly rates proposed for this engagement. If not, please state so.
- c. The Committees have mentioned interest in having the 990 returns presented at the meeting convened to approve. The firm shall provide a fee schedule for presenting the informational returns, if different from the hourly rates proposed for this engagement. If not, please state so.

7. PERSONNEL PRE-APPROVAL REQUIRED BY UNIVERSITY

All personnel assigned to this project as a result of this RFP, must be pre-approved by the University. If at any time the University is dissatisfied with the performance of any of the awarded vendor's pre-approved personnel on this project, the awarded vendor will provide a qualified substitute that must be approved by the University, and is subject to the same standards of the satisfaction to the University throughout the term of the agreement.

5. INSTRUCTIONS TO BIDDER

Proposals are due no later than 2:00pm (PT) on October 11, 2022 via CSUBUY. The Bid Number for this project is CSUSTAN-RFP-00000309-2022. Bids must be received in a PDF format.

It shall be the sole responsibility of the bidder to ensure all documents are received in a timely manner. No facsimile or email proposals will be considered. Proposals received after 2:00 P.M. (PT) on October 11th, 2022 will not be considered. No Exceptions.

Prior to submission of proposals, it is requested that Qualified Firms coordinate, in advance, all contacts with University personnel through the University's Procurement and Contract Services department. Failure to comply with this request may result in an interpretation of an intent to evade RFP requirements and result in firm disqualification.

Any questions regarding this bid are due in writing via CSUBUY no later than Thursday, September 15th, 2022. The Responses to questions submitted are anticipated to be posted in CSUBUY Thursday, September 22, 2022

Addenda – University may modify this RFP, any of its key action dates, or any of its attachments, prior to the due date for submission by issuance of a written addendum posted via the CSUBUY website.

Once a decision is made to award, a Notice of Intent to Award will be sent to the selected Bidder and a copy will be posted along with the Bid Abstract at <https://www.csustan.edu/financial-support-services-gateway/bid-bid-results>.

Proposals should be submitted in the format described in the RFP. Proposals in any other format will be considered informal and may be rejected. Conditional proposals will not be considered. All proposals must be signed by an individual authorized to extend a formal proposal. Proposals that are not signed may be rejected.

If submitting any information, you consider to be proprietary, you must clearly mark on each page, “Proprietary Information”.

The University reserves the right to reject any or all proposals or any part thereof, or to accept any proposals, or any part thereof, or to withhold the award and to waive or decline to waive irregularities in any proposal when it determines that it is in its best interest to do so. The University also reserves the right to hold all proposals for a period of 120 days after the closing date and the right to accept a proposal not withdrawn before the scheduled proposal due date.

The successful Bidder is expected to enter into an agreement with University for external auditing services in accordance with the terms and conditions of this RFP. Contract documents will consist of an Agreement, including CSU General Provisions for Information Technology Acquisitions and Supplemental Provisions (Exhibit C) and supporting attachments. In the event of a conflict between documents, the following order of precedence will apply.

1. CSU Agreement including CSU General Provisions for Information Technology Acquisitions and Supplemental Provisions
[CSU General Provisions for Service Acquisitions Revised 5/15/20](#)
2. CSU Request for Proposal
3. Bidder’s Proposal

Any person, firm, corporation, or association submitting a proposal shall be deemed to have read and understood all the terms, conditions and requirements, the statement of work and deemed to have the authority to enter into an agreement with the CSU to the full extent of the agreement.

The bid price given is to be inclusive of all collateral materials and associated services necessary to support the project as described in this Request for Proposal.

6. PROPOSAL CONTENT AND FORMAT

The RFP shall be organized with numbered tabs corresponding to the following contents. Any proposal not organized as stated below may be deemed non-responsive, and therefore, be disqualified from further consideration.

Tab 1: Cover Letter:

Requirements:

- Reference the RFP and confirm that all elements of the RFP including the Scope of Work and Solicitation Provisions have been read and understood.
- Confirm that Respondent's RFP submittal is in response to RFP# CSUSTAN-RFP-00000309-2022 and agrees to enter into a mutually acceptable agreement if selected.
- Shall be signed by an individual authorized to extend the proposal and contractually bind the Proposer. Provide name and title.

Tab 2: Describe how your firm will approach the audit of the auxiliary operations, including the use of any association or affiliate member firm personnel.

Tab 3: Please provide the earliest date the audit can begin (including preliminary field work) and the date it will end.

Tab 4: Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid, and provide biographies including experience in (FASB) organizations auditing endowment and trust administration, and computer-based financial systems. The individuals identified in this section are required to attend finalist presentations (if applicable).

Tab 5: Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

Tab 6: Provide three references - at least one of which must be a CSU auxiliary organization preferably (FASB). Our interest for references are with the account managers or equivalent (the person your firm reported to). Please provide their reference contact name, title, company/campus name, phone number and date audit service was provided.

Exhibits A&B – Bid Form & Rate Information. Exhibit A & B shall be **uploaded as single document into CSUBUY**. Submission is to be labeled: RFP CSUSTAN-RFP-00000309-2022, with your firm's name and Exhibits A & B.

7. EVALUATION CRITERIA

Firms with demonstrated experience and competency in governmental or CSU Auxiliary Organization auditing are invited to respond. A committee will review, evaluate, and score all responsive proposals based on these categories (not listed in order of importance):

- Quality of Proposal Submission (professionalism and attention to detail)
- Proposed Methodology/Solution
- Timeline for Performance of Services
- Experience of Staff
- Peer Review
- Quality of Customer Service (including references)
- Cost

Finalists

Award shall be made to the responsive, responsible Bidder whose proposal and presentation is determined to be the most advantageous to the University based on a combination of the evaluation committee's scoring of the Evaluation Criteria listed above and Finalist presentation scores. As indicated above, price will not be the sole determining factor.

It is anticipated that Finalists will be invited to campus during the week of October 24, 2022 to conduct a mock presentation to the RFP committee and appropriate University Executive members as well as answer any University questions. Instructions will be provided by University to Finalists. Presenters shall be those individuals identified by Bidders in Section 6, Tab 4 above and will be required to come prepared with appropriate pre-audit and post-audit reports.

8. SOLICITATION PROVISIONS AND PROPOSERS' CERTIFICATION

Definitions

- a. The Trustees of the California State University are referred to as "CSU," "University" or "Trustees."
- b. The terms "bid" and "proposal" are synonymous and means an offer made in response to a solicitation to perform a contract for work and labor or to supply goods at a specified price, whether it is considered a "seal bid" or results in award of a contract to a single or sole source.
- c. "Bidder", "Proposer", and/or "Contractor" may be used interchangeably, and each shall apply to the business entity which submits a bid/proposal or is awarded a contract.

Reservation of Rights

University may reject any or all proposals and may waive any immaterial deviation in a Proposal. The University's waiver of an immaterial defect shall in no way modify the RFP documents or excuse the Bidder from full compliance with the specifications if the Bidder is awarded the contract. Proposals that include terms and conditions other than the University's terms and conditions may be rejected as being non-responsive. In the event all proposals are rejected, or the University determines alternative solutions are in its best interest, the University may cancel this solicitation and pursue alternative sourcing options.

The University may make such investigations as deemed necessary to determine the ability of the Bidder to perform the work, and the Bidder shall furnish all such information and data for this purpose. The University reserves the right to reject any submittal made pursuant to this RFP or any subsequent Proposal or bid if the evidence submitted by, or investigation of, such Bidder fails to satisfy the University that such Bidder is properly qualified to carry out the obligations of the contract and to complete the work specified. Additionally, the University reserves the right to request additional performance guarantees if, in the sole opinion of the University, financial stability or capability cannot be established.

Non-Endorsement

If selected as a qualified Bidder, the Bidder shall not issue any news releases or other statements pertaining to selection, which state or imply University endorsement of Bidder's services.

Dispute/Protests

University encourages potential Bidders to resolve issues regarding the requirements or the procurement process through written correspondence and discussions. The University wishes to foster cooperative relationships and to reach a fair agreement in a timely manner.

Bidder's filing a notification to protest must do so within three (3) business days after a Notice of Intent to Award has been publicly posted. The protesting Bidder shall submit a full and complete written statement detailing the facts in support of the protest within 5 calendar days after expressing notification to protest. Protest must be sent by certified or registered mail or delivered in person to University, Julie Anderson, Buyer III. Within a reasonable time after receipt of the written statement of protest, the University will provide a decision on the matter. The decision will be in writing and sent by certified or registered mail or delivered in person to the protesting Bidder. The decision of University is final.

Award of Contract

The University reserves the right to reject any and all proposals and to award one or more contracts. Award, if any, will be to the Bidder, whose proposal best complies with all of the requirements of the RFP documents and any addenda. A "Notice of Intent to Award" will be posted publicly for five (5) consecutive working days prior to the award. Written notification will be made to unsuccessful vendors.

The selected Bidder and the University shall commit to negotiation for the final scope of services to be accepted and execution of an agreement, in substantial accordance with the terms and conditions herein, within 30 days of the Notice of Intent to Award. Should the parties be unable to reach final agreement within this time frame, the parties may mutually agree upon a time extension to complete negotiations and contract execution. If the parties are unable to agree upon a time extension, or if the University determines that a time extension would not be beneficial to the project, the University reserves the right to terminate negotiations and proceed with a secondary finalist.

Execution of the Agreement

The Agreement shall be signed by the Contractor and returned, along with the required attachments to University within **seven (7)** calendar days from receipt of contract. The period for execution may be changed by mutual agreement of the parties. Contracts are not effective until approved by the appropriate University officials. Any work performed prior to receipt of a fully executed contract shall be at Contractor's own risk.

Failure to Execute the Agreement

Failure to execute the Agreement within the time frame identified above shall be sufficient cause for voiding the award. Failure to comply with other requirements within the set time shall constitute failure to execute the Agreement. If the successful Bidder refuses or fails to execute the Agreement, University may award the Agreement to another qualified Bidder.

Conflict of Interest

Potential Contractors are advised that Contractor's officers and employees shall comply with the disclosure, disqualification, and other provisions of California's Political Reform Act of 1974 (Government Code Section 81000 et seq.) if their responsibilities include the making or participation in the

making of a University decision.

Public Contracts Code Restrictions for University Employees

University employees and immediate past employees must comply with restrictions regarding contracting with the University. Bidder needs to be aware of the following provisions regarding current or former University employees. In submitting a bid, Bidder certifies that the Bidder is eligible to contract with the University pursuant to the Public Contracts Code (PCC) sections list below:

- a. Current University Employees (PCC Section 10831):
 - i. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any University department through or by a University contract unless the employment, activity or enterprise is within the course and scope of the officer's or employee's regular University employment.
 - ii. No officer or employee shall contract on his or her own behalf as an independent Bidder with any University department to provide goods or services.
 - iii. This prohibition does not apply to officers or employees of the University with teaching or research responsibilities.

- b. Former University Employees (PCC Section 10832):
 - i. For the two-year period from the date he or she left University employment, no former University officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any University department.
 - ii. For the twelve-month period from the date he or she left state employment, no former University officer or employee may enter into a contract with any University department if he or she was employed by that University department in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving University service.

Proposals Become the Property of University

Proposals become the property of University and information contained therein shall become public documents subject to disclosure laws after Notice of Intent to Award. The University reserves the right to make use of any information or ideas contained in the Proposal. Proposals may be returned only at the University's option and at the Bidder's expense. One copy shall be retained for official files. Responses to this RFP and any other information that is currently or may become available as an outcome of the RFP process may be used by the University to structure an RFP or other solicitation. If the Proposer fails to notify the University of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Proposer shall assume the risk. If awarded the contract, the Proposer(s) shall not be entitled to additional compensation or time by reason of error or its late correction.

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EXHIBIT A

BID FORM - HOURLY RATE INFORMATION

1. Specify in the appropriate sections below your firms guaranteed not-to-exceed-fees. Include the estimated hours and hourly rates for each member of the firm (by level of staff: partner, manager in charge, staff accountant, etc.) who will be providing services to complete the engagement and the estimated fees on future engagements. Fill in categories as needed.
2. The audit firm will be required to attend Audit Committee and Governing Board meetings as needed. For this proposal, assume two (2) meetings each, with a duration of two (2) hours.
3. Prices must be held firm for 3 years.

AUDIT REPORTS, FINANCIAL STATEMENTS, SUPPLEMENTAL INFORMATION, MANAGEMENT LETTER and REQUIRED MEETINGS			
LABOR CATEGORY	HOURLY RATE	ESTIMATED HOURS (per engagement)	TOTAL
Partner			
Manager in Charge			
Senior			
Staff			
TOTAL COST GUARANTEED NOT TO EXCEED (per engagement)			\$

LABOR CATEGORY	HOURLY RATE	ESTIMATED HOURS (per engagement)	TOTAL
Partner			
Manager in Charge			
Senior			
Staff			
TOTAL COST GUARANTEED NOT TO EXCEED (per engagement)			\$

Maximum Escalation Rates, if applicable, shall be based on original contract hourly rates.

Escalation Rates for Year 4: _____%

Escalation Rates for Year 5: _____%

Escalation Rates for Year 6: _____%

Escalation Rates for Year 7: _____%

Firm Name: _____

CSUSTAN-RFP-00000309-2022**EXHIBIT B****BID FORM -TAX SERVICES RATE INFORMAITON**

Tax Preparation – the proposal shall include a separate fee schedule for the preparation of all required federal and state tax returns for a non-profit corporation as required by the Internal Revenue Service, The Franchise Tax Board, and the Registrar of Charitable Trust. These forms include but are not limited to Federal Forms 990 and 990T (when applicable), California Forms 199 and 109 (when applicable), and RRF-1. Each proposal shall provide data regarding the availability of the firm’s specialty expertise in tax matters.

TAX RETURNS			
LABOR	HOURLY RATE	ESTIMATED	TOTAL
TOTAL COST GUARANTEED NOT TO EXCEED			\$

Firm Name: _____