

Request for Qualifications

RFQ TITLE:
Annual Financial Audit

This invitation includes the- following sections:

- Section I – Rules of Preparation
- Section II – Scope of Services
- Section III – Vendor Questionnaire
- Section IV – Proposal Response Questionnaire
- Section V – Cost Proposal Form
- Section IV – Proposal Certifications and Representations

Opening Time: **2:00 P.M.**

Opening Date: April 8th, 2021

Contact: Jason Stoner

Phone: (512) 2678-8300 ext. 1502

Fax: (512) 267-8304

Email: jason_stoner@lagovista.txed.net

Proposer's Certification

The undersigned, by his/her signature, represents that he/she is authorized to bind the Proposer to fully comply with the terms and conditions of this Request for Qualifications, including all forms and attachments included and/or referenced herein.

Firm Name: _____

Address: _____

City: _____

State: _____ Zip: _____

(Signature of Person Authorized to Sign Proposal)

Printed Name: _____

(Please print or type)

Telephone: _____

Or _____

Fax: _____

Web: _____

Email: _____

Date: _____

Title: _____

SECTION I - RULES OF PREPARATION

1. **Introduction**

- 1.1. The Lago Vista Independent School District is requesting Qualifications from public accounting firms to perform the annual audit for fiscal year 2021.
- 1.2. Auditing requirements for Texas' public school districts are contained in the "Texas Education Agency Financial Accountability System Resource Guide", (located on Texas Education Agency's web site) at which is the authoritative document adopted by the State Board of Education as referenced in the State of Texas Education Code, Section 44.008 (a)(b).
- 1.3. It is the intent of LVISD to solicit responses to the Request for Qualifications (RFQ) in accordance with the sections contained in this document.
- 1.4. This Request for Qualifications (RFQ) states the overall scope of services desired, procurement terms and conditions, as well as the scope of vendor services to be provided. All responses should clearly detail how the proposed services can best satisfy LVISD's requirements.
- 1.5. The submitted Proposals must follow the rules and format established within this RFQ. Adherence to these rules will ensure a fair and objective analysis of all Proposals. All responses must be submitted on the forms provided and be submitted in hard copy. Additional pages may be attached and cross-referenced as necessary. Failure to comply with or complete any portion of this request may result in rejection of a Proposal.
- 1.6. This RFQ is being provided in Adobe PDF format at the district Business Office web site to assist Proposers in preparing their responses.
- 1.7. Failure to comply with or complete any portion of this request may result in rejection of a Proposal. Vendors are responsible for the completeness and accuracy of their Proposal.

2. **Request for Clarifications or Interpretations**

- 2.1. Questions or comments are to be directed in writing or electronically to:

Lago Vista Independent School District
Business Office- Attn: Jason Stoner
8039 Bar K Ranch Rd
Lago Vista, Texas 78645
Jason_stoner@lagovista.txed.net

- 2.2. A prospective Proposer may submit a request for clarification or interpretation of any aspect of the Request for Qualifications. LVISD may issue written changes if it determines the answer to a question is relevant to all Proposers. LVISD shall not be obligated to respond to requests for clarification or interpretations not received on a timely basis.

3. **Submission of Proposals**

- 3.1. Proposals shall be sealed and be received no later than 2:00 p.m. on April 8th, 2021. All Proposals shall be submitted to:

Lago Vista Independent School District
Business Office- Attn: Jason Stoner
8039 Bar K Ranch Rd
Lago Vista, Texas 78645

- 3.2. The Proposals shall be sealed and submitted, plainly marked with the RFQ title, vendor name, and time and date of the Proposal submission deadline. Please note that there will be no public opening of Proposals.
- 3.3. Upon receipt of vendor Proposals, each vendor shall be presumed to be thoroughly familiar with all specifications and requirements of this RFQ. The failure or omission to examine any form, instrument, or document shall in no way relieve vendors from any obligation in respect to this RFQ.

4. Technical Proposal Components

- 4.1. This section describes the components necessary for acceptance of a Proposal.
- 4.2. Please prepare and submit (3) hard copies of the Proposal and (1) electronic copy on a USB flash drive. The Proposal and copies shall be bound and sealed.
- 4.3. The format of the RFQ must be followed and must contain the following components as described within this section:
 - 4.3.1. Cover Letter
 - 4.3.2. Proposal Certification
 - 4.3.3. Response to Vendor Questionnaire
 - 4.3.4. Response to Proposal Response Questionnaire
 - 4.3.5. Management Component
 - 4.3.6. Technical Component
 - 4.3.7. Execution of Certifications and Representations

5. Cost Proposal Components

- 5.1. This section includes the RFQ Cost Proposal Form, including costs for the following audit tasks:
 - 5.1.1. Single Audit: Performed in accordance with compliance requirements described by the U.S. Office of Management and Budget (OMB) A-133, Compliance Supplement.
 - 5.1.2. Financial Statement Audit: Conducted in accordance with auditing standards generally accepted in the United States of America.
 - 5.1.3. GASB 34 Review:
- 5.2. The Service Fees shall be proposed for the fiscal year ending August 31, 2020, and shall include the following cost elements:
 - 6.1.1. Total Estimated Cost.
 - 6.1.2. Estimated hourly rate the estimate is based upon.
- 5.3. Estimated Fees: Lago Vista Independent School District reserves the right to exercise an extension of the contract for up to an additional four (4) one-year increments. The Proposer is to indicate the estimated fees for the annual audit and the hourly rate the fees are based upon.

6. Supplemental Instructions or Changes

- 6.1. Any supplemental instructions or changes will be in the form of written addenda to this solicitation. Any addenda will be made available to all prospective Proposers, prior to the due date for submittal of Proposals. It shall be presumed by the District that any addenda so issued have been received by the Proposer and such addenda shall become a part of the Proposal submittal.
- 6.2. Proposers who have not obtained this RFQ solicitation document directly from LVISD shall be responsible for immediately notifying LVISD to receive all written addenda on a timely basis. Proposers who do not so notify LVISD and submit Proposals without receipt of all addenda issued may be deemed to have submitted Proposals not responsive to this request for Proposal solicitation.

7. Evaluation

- 7.1. Criteria used to evaluate the methodologies, products, and services are shown following. Evaluation shall be completed by the Finance Director, Deputy Superintendent, and Superintendent.
- 7.2. LVISD reserves the right to waive as informality, minor deviations from specifications; waive any minor informality in any Proposal procedure; reject or cancel any or all Proposals.
- 7.3. Although LVISD reserves the right to require oral presentations by any or all Proposers, during steps one or two of the solicitation process, LVISD may make an award without discussion with any Proposer, after Proposals are received. Proposals should therefore be submitted on the most favorable terms.
- 7.4. Proposals which have met all of the Mandatory Criteria included herein, will be evaluated on the following:
 - 7.4.1. Management Component Criteria – (0 to 45 points)
 - 7.4.1.1. The audit firm will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the RFQ Scope of Services.

- 7.4.2. Technical Component Criteria – (0 to 45 points)
 - 7.4.2.1. Technical experience of the firm:
 - 7.4.2.1.1. Auditing experience in Texas public schools.
 - 7.4.2.2. General direction and supervision to be exercised over the audit team by the firm's management personnel.
 - 7.4.2.3. Clear understanding of the work to be performed:
 - 7.4.2.3.1. Comprehensiveness of the audit work plan.
 - 7.4.2.3.2. Realistic time estimates of each major segment of the work plan, and the estimated number of hours for each staff level including consultants assigned.
 - 7.4.3. Oral Interviews (If necessary) – (0 to 10 points)
8. **BOARD OF TRUSTEES APPROVAL**
- 8.1. It is planned that an audit firm will be selected at the Board of Trustees meeting scheduled for April 12th, 2021.
9. **Term of the Audit Engagement**
- 9.1. The contract for audit services based upon Board approval of the proposal will be for the fiscal year ending August 31, 2021. The contract will begin upon award by the Board of Trustees and will be subject to renewal annually for four (4) additional years.
10. **Exceptions to the RFQ**
- 10.1. The format of the RFQ must be followed and all requested information must be submitted as indicated. However, LVISD is receptive to any additional suggestions pertaining to services and system capabilities in addition to those contained in the RFQ that the Proposer believes would be useful to LVISD. Any exceptions to RFQ terms and conditions must be included in writing in the Vendor Questionnaire.
11. **Confidentiality of Documents**
- 11.1. All documents submitted as part of the vendor's Proposal will be deemed confidential during the evaluation process. Vendor Proposals will not be available for review by anyone other than LVISD. There shall be no disclosure of any vendor's information to a competing vendor prior to award of the contract. Following award of contract, all Proposals become public documents and are available for public viewing upon written request to LVISD.
12. **Contact with LVISD Employees**
- 12.1. In order to ensure fair and objective evaluation, all questions related to this RFQ should be addressed only to LVISD's Director of Finance as identified in this RFQ. Vendors that fail to adhere to this policy risk having their Proposals disqualified.
13. **Requirement to Meet All RFQ Provisions**
- 13.1. Each Proposer shall respond to all of the specifications and RFQ terms and conditions. By virtue of the Proposal submission, the Proposer acknowledges agreement with and acceptance of all provisions of the specifications except as expressly qualified in the RFQ. No substantial deviations will be considered.
14. **Travel Expenses**
- 14.1. The awarded Proposer shall be responsible for all travel associated with the contract.
15. **Lago Vista ISD Financial Statements**
- 15.1. For review purposes, Financial Statements for the past five years, including the year ended August 31, 2020, can be found at www.lagovistaisd.net under the Business Office department.
16. **Conflict Of Interest**
- 16.1. Disclosure of Certain Relationships with Local Government Officials.

- 16.1.1. Any individual or business entity that contracts or seeks to contract for the sale or purchase of property, goods, or services with Lago Vista ISD must file a Vendor Conflict of Interest Questionnaire with the Lago Vista ISD Business Office in accordance with Texas Local Government Code Chapter 176, not later than the 7th business day after the recipient becomes aware of facts that require filing.
- 16.1.2. This requirement applies to a person who is an agent of a vendor in the vendor's business with the District.
- 16.1.3. Forms are also posted at the Texas Ethics Commission's web site.
- 16.2. Employee
 - 16.2.1. Reference LVISD Policies CH (Local) Purchasing and Acquisition, and DBD (Local) Employment Requirements and Restrictions, all Bidders must disclose the name of any LVISD employee who owns, directly or indirectly, an interest in the Bidder's firm or any of its branches.
 - 16.2.2. Failure to provide such information may be grounds for disqualification of the bid or cancellation of a contract resulting from this Solicitation.

SECTION II – SCOPE OF SERVICES

1. District Background

- 1.1. A copy of the adopted budget can be located on the District’s Business Office web page.
- 1.2. There are approximately 180 district employees serving nine (4) campus and administrative support service facilities. These campuses are as follows: Lago Vista High School (9-12), Lago Vista Middle School (6-8), B.T. Wilson (6), Lago Vista Intermediate School (4-5), Lago Vista Elementary School (Pre K-3),
- 1.3. Lago Vista Independent School District has an enrollment of approx. 1600 students (as of February 2021), in grades pre-kindergarten through 12.
- 1.4. At the time of this document’s preparation, the District utilizes the following funds to account for its operations:

199	General Fund
211	Title I, Part A
224	IDEA – Part B Formula
225	IDEA – Part B Preschool
240	National School Lunch Program
255	Title II, Part A- TPTR
266	ESSER
289	Title IV
385	Visually Impaired Agreement
397	AP Incentives
410	IMA
428	Safety Security Grant
429	State Rev Fund
461	Campus Activity Funds
599	Interest & Sinking Fund
698	Capital Projects Fund
711	Daycare
863	Payroll Clearing
865	Student Activity Funds

2. **Project Objectives**

2.1. Purpose of the Audit

2.1.1. The purpose of the RFQ is to obtain the services of a public accounting firm for the annual audit for fiscal year 2021. The audit will encompass the general purpose financial statements, combining statements and other schedules for the District for the fiscal year ending August 31, 2021. The audit is to be performed in accordance with generally accepted government auditing standards contained in the [Texas Education Agency Financial Accountability System Resource Guide](#).

2.2. The financial statement audit is to determine whether:

2.2.1. The financial statements present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information; and

2.2.2. Whether the Lago Vista Independent School District has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

2.3. The audit will also determine whether:

2.3.1. Financial reports and related items are fairly presented;

2.3.2. Financial information is presented in accordance with established or stated criteria; and

2.3.3. The school district has adhered to specific financial compliance requirements.

2.4. As a part of the audit of the general purpose financial statements, the annual audit will also include obtaining an understanding of the district's internal control structure and reporting any reportable conditions relating to the internal control systems. To comply with standards applicable to financial audits contained in Government Auditing Standards, and the Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, a study and evaluation of the internal control structure will include internal accounting and administrative controls for all selected major federal financial assistance programs.

2.5. As part of the audit of the general purpose financial statements, transactions and records pertaining to federal programs will be tested for compliance with requirements that could have a direct and material effect on a major federal program.

2.6. Any material weakness noted during the study and evaluation of internal accounting and administrative controls will be reviewed with the Superintendent and the Director of Finance. The Management Letter will be addressed to the Board of Trustees of the Lago Vista Independent School District.

2.7. The District shall have closed and balanced all accounts or funds to be examined by the auditor by December 15th each year. The auditor shall assist in finalizing the District's annual financial reports and shall include an opinion in those reports regarding the District's financial statements and supplemental financial schedules.

2.8. The school district shall also supply additional financial statistical information not subject to examination by the auditor but necessary to be included in the Comprehensive Annual Financial Report (CAFR) as required.

2.9. Auditors will be allowed to work on site after 4:00 p.m. and on weekends if necessary. However, it cannot be guaranteed that Staff will be available to answer questions at those times. Arrangements should be made in advance if these after-hours periods are necessary.

2.10. The audit shall be completed by December 31st each year.

3. **Independent Auditor**

3.1. The Proposer must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards and State Board of Education auditing rules. Public accounting firms that have performed annual audits for similar entities are encouraged to file a proposal.

SECTION III – VENDOR QUESTIONNAIRE

Introduction

This section of the RFQ requests information on the Vendor's business organization, personnel, experience, and references. As stated in Section I, all responses must be submitted on the forms provided in the RFQ or exact copies of the forms.

A. Vendor General Information

(Complete a copy of this section for each major vendor)

1. Vendor _____

a. Company Name: _____

Local Address Serving LVISD: _____

Headquarters Address: _____

Contact Representative

<u>Name</u>	<u>Title</u>	<u>Telephone/E-mail</u>
_____	_____	_____
_____	_____	_____

Describe briefly this vendor's roles and responsibilities in conjunction with this Proposal:

b. Company Information

1) How many years has the company provided services as required by this RFQ? _____ Years

2) How many employees does the company have?

Nationwide (Total) _____ Employees

Support personnel in office serving KISD _____ Employees

B. Vendor References

Instructions: Complete the reference list as indicated for the five (5) most similar organizations that your firm has provided services similar to those required by this RFQ. Vendors may, at their discretion, provide additional references. Reference information shall be similar in scope and agency size to what is being proposed for LVISD.

Agency Name, Address, Contact, Title, Phone Number	Description of Project	Date(s) of Service
1.		
2.		
3.		
4.		
5.		

SECTION IV - PROPOSAL RESPONSE QUESTIONNAIRE

This section of the RFQ requires information on the Vendor's approach to meeting the objectives of this RFQ. As stated in the RFQ instructions, all responses must include the following information.

A. Cover Letter

The proposing firm is to provide a cover page giving a brief summary of the contents of the Proposal.

B. Mandatory Criteria

Proposals will not be considered for further evaluation unless there is compliance with all of the following criteria. The Proposer:

1. Must be an independent auditor properly licensed for public practice.
2. Must meet the independence standards of Government Auditing Standards, 1988 Revision, United States General Accounting Office (GAO).
3. Must have experience in the preparation of financial statements which meet the requirements outlined in Statement No. 34 of the Governmental Accounting Standards Board.

C. Management Component

The audit firm will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the Request for Qualifications. To meet this requirement:

1. Provide the name of the external quality control review organization of which the audit firm is a member, and the firm's length of membership. Also state the review organization's planned frequency of peer reviews;
2. State whether the firm has received a peer review and whether in the most recent review an unqualified report was issued;
3. State whether the audit firm is a national, regional or local public accounting firm;
4. Provide evidence that the audit firm has experience in performing school district/government audits. List current and past audit clients along with the names and telephone numbers of contact persons and number of years audit services were provided. State the average daily attendance of the public schools on the list;
5. State whether the audit firm is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states;
6. Describe the proposed audit team, in terms of job positions in the firm;

7. List names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the field work or reporting on this audit engagement. Include the educational background of all staff named and professional licenses held;
8. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last two years;
9. Provide the names and qualifications of any needed outside specialists and consultants that will assist the staff members assigned to the audit; and
10. Describe the level of assistance that will be expected from Lago Vista Independent School District personnel.

D. Technical Component

To describe clearly the public accounting firm's understanding of the work to be done, the Proposer will:

1. Provide a definition of the term "generally accepted government auditing standards" with clear distinctions between these standards and generally accepted auditing standards for non-governmental engagements;
2. Explain the audit firm's approach to performing an annual audit, including the methodology, nature, and extent of audit procedures to be performed;
3. Describe your firm's methodology in the implementation of Statement on Auditing Standards No. 99, Consideration of Fraud in a Financial Statement Audit;
4. Describe how the approach to performing the audit would be affected if this was a multi-year contract; and
5. Make a statement concerning the independence of the audit firm including direct and indirect financial interest; and the relationship of the proposed audit team to employees of the district and any of the board members.

SECTION V – COST PROPOSAL FORM

The Proposer is to state the estimated fees for the annual audit for the fiscal year and the hourly rate the fees are based upon. Also state estimated fees for the subsequent four years, under current existing conditions, if the District were to request an extension of the contract. Include a statement that estimated fees include audit procedures for the purpose of reviewing the accuracy of fiscal information provided by the district through PEIMS.

Proposer should also provide an hourly rate for special projects.

Fiscal Year	Annual Audit Fee	Hourly Rate	Special Project Hourly Rate
2020			
2021			
2022			
2023			
2024			

The District will pay audit fees as agreed upon in the engagement letter.

SECTION VI – CERTIFICATIONS AND REPRESENTATIONS

Appendix A – Felony Conviction Notice

Appendix B – Proposal Certification

Appendix A. Felony Conviction Notice

State of Texas Legislative Senate Bill No. 1, Section 44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony".

Subsection (b) states "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract".

THIS NOTICE IS NOT REQUIRED OF A PUBLICLY-HELD CORPORATION

I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the following information furnished is true to the best of my knowledge.

VENDOR'S NAME: _____

AUTHORIZED COMPANY OFFICIAL'S NAME: _____

A. My firm is a publicly-held corporation; therefore, this reporting requirement is not applicable.

Signature of Company Official: _____

B. My firm is not owned nor operated by anyone who has been convicted of a felony.

Signature of Company Official: _____

C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony.

Name of Felon(s): _____
(Attach additional sheet if necessary.)

Details of Conviction(s): _____
(Attach additional sheet if necessary.)

Signature of Company Official: _____

Appendix B. Proposal Certification

The undersigned affirms that he or she is duly authorized to execute this questionnaire, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other person, firm or entity making or considering making a proposal to LVISD for any future District projects and that contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this proposal.

The foregoing is true and correct. LVISD, or any authorized representative of LVISD, is authorized by the undersigned to contact any firm, institution, or person listed above to obtain information that LVISD might determine as being desirable.

Firm: _____

Address: _____

City/State/Zip: _____

Phone No: _____

Fax No: _____

Email Address: _____

Typed Name: _____

Date: _____