



Rochester Community Schools
Purchasing Department

Request for Proposal

Date:	February 20, 2025	Project:	Annual Financial Audit Services
Project Number:	25.03		

Response Due Date and Time:	March 20, 2025 at 12:00 p.m. Local Time
Submit Response to:	All proposals, required forms, and pricing shall be submitted electronically on BidNet Direct (https://www.bidnetdirect.com)
Submit Questions to:	Requests for clarification shall be submitted through BidNet Direct and all responses will be released as addendum within the online posting.
Description of Procurement:	Annual Financial audit services

Estimated Project Timeline:

Notice of Advertisement in Local Newspaper:	February 6, 2025
Release of RFP:	February 20, 2025
Online Requests for Clarification Deadline:	March 6, 2025 at 12:00 p.m. Local Time
Release of Addenda with RFC Answers:	March 13, 2025
Bid Due Date:	March 20, 2025 at 12:00 p.m. Local Time

→ Notice: The right to modify the project timeline is held by Rochester Community Schools in absolute discretion.

Objective:

Rochester Community Schools known herein as the "Owner" is requesting proposals from qualified bidders of Certified Public Accountants to audit its financial statements as detailed in this Request for Proposal for fiscal year ending June 30, 2025. The district reserves the right to extend the contract annually for an additional four years based on satisfactory performance of financial audit services.

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Information to Bidders

Overview

Rochester Community Schools known herein as the “Owner” is requesting proposals from qualified bidders of Certified Public Accountants to audit its financial statements as detailed in this Request for Proposal for the fiscal years ending June 30, 2025. The district reserves the right to extend the contract annually for an additional four years based on satisfactory performance of financial audit services.

Rochester Community Schools provides public education to students in kindergarten through twelfth grades. Additional services include programs for children ages 0-3 years, preschool programs, before and after school care for school age children, adult education, and community enrichment classes for all ages.

The District is the sixth largest public school in the State of Michigan and includes all or part of seven Michigan South Eastern municipalities: Rochester, Rochester Hills, Oakland Township, Auburn Hills, Lake Orion, Washington Township and Shelby Township. This large suburban district operates three comprehensive high schools, four middle schools, thirteen elementary schools, an early childhood education center, alternative center for education, and an adult education center.

The mission of Rochester Community Schools is to provide a quality education in a caring atmosphere so all students can attain the necessary skills and knowledge to become lifelong learners and contribute to a diverse, interdependent and changing world. With 13 elementary schools, four middle schools, three high schools, and a child care center, nearly 15,000 students residing in the Greater Rochester area have the advantage of receiving a world-class education from Michigan's premier school district.

Timeline

The expected timeline is as follows:

Notice of Advertisement in Local Newspaper:	February 6, 2025
Release of RFP:	February 20, 2025
Online Requests for Clarification Deadline:	March 6, 2025 at 12:00 p.m. Local Time
Release of Addenda with RFC Answers:	March 13, 2025
Bid Due Date:	March 20, 2025 at 12:00 p.m. Local Time

Scope

Provide annual financial audit services according to the scope outlined below.

1. Scope

Provide the Comprehensive Annual Financial Report and the Report for Compliance for Federal Grant Programs for the period ending June 30, 2025. Funds to be audited, estimated volume, and estimated fund balance for the period ending June 30, 2025, are as follows:

Fund	Description	Fund Balances July 1, 2025	Est. Revenues* 2024-25	Est. Expenditures* 2024-25
General Fund	Operational	\$43,705,943	\$226,307,890	\$230,610,614
Special Revenue	Early Learning Center	\$20,537	\$1,609,472	\$1,588,935
Special Revenue	Bookstore	\$141,304	\$205,621	\$189,814
Special Revenue	Food Service	\$1,457,636	\$6,327,777	\$7,285,826
Special Revenue	Student / School Activity	\$3,494,468	\$3,702,703	\$3,494,468
Debt Service	2016 Bond	\$1,507,719	\$10,569,325	\$10,776,269
Capital Projects	Sinking Fund	\$2,489,693	\$9,137,953-	\$10,586,767-

* based on most recent budgets for FY25

2. Financial Statements

Prior to the commencement of field work for the year-end audit all closing and adjusting entries will be completed by the District and the financial statements prepared by the District, to the extent mutually agreed upon by both parties.

In quoting fees, the District would like to receive two “base” quotes:

Base quote #1 would be where the staff of the District completes the financial statements in their entirety, which would include the MD&A, the Basic Financial Statements (Statement of Net Assets/Statement of Activities), Fund Financial Statements (including reconciliations), Notes to Financial Statements, Combining and Individual Fund Statements (as deemed necessary), and the Schedule of Federal Financial Assistance (SEFA).

Base quote #2 would be the same as Base Quote #1, except the auditor would prepare the reconciliations within the Fund Financial Statements (from fund level to government-wide statements) and the Basic Financial Statements (Statement of Net Assets/Statement of Activities).

3. Reporting

The auditors will report the following information to the Superintendent of Schools and the Rochester Community Schools’ Board of Education via a Superintendent’s Business & Operations Committee meeting (if requested) and a board presentation at the November board meeting:

- A. Internal accounting control based solely on a study and evaluation made as part of the audit of the general-purpose financial statements.
- B. Compliance with laws and regulations that may have a material effect on the financial statements.
- C. Supplementary schedule of our federal financial assistance program.
- D. Accounting and administrative internal controls used in administering federal financial assistance programs.

- E. Compliance with laws and regulations applicable to federal financial assistance programs identifying all findings of noncompliance and questioned costs.

4. Taxes

Rochester Community Schools receives taxes from (7) municipalities; Auburn Hills, Oakland Township, Orion Township, City of Rochester Hills, City of Rochester, Shelby Township, and Washington Township with payments also coming from Oakland and Macomb Counties.

The district levies in the winter and summer months. The current tax levy included 18 mills for operational purposes, 1.01 mills for 2016 Bonded Debt Series I, .51 mills for 2016 Bonded Debt Series II, and 2019 Sinking Fund 1.4561 mills.

5. Work Papers

The working papers shall be retained for at least seven (7) years or as stated in the State Retention Guidelines, whichever is longer. The working papers will be available for examination by authorized representatives of the cognizant federal audit agency, the State of Michigan Department of Education, the General Accounting Office and the school district.

6. Other Requirements

A personal presentation of the final report to the Board of Education by an audit manager or partner of the firm is required. The district prefers this presentation to take place no later than the Board of Education regular meeting in December. Additionally, the district prefers the audit fieldwork to take place during the third week of September.

Assistance will also be expected and rendered in correcting errors and procedural shortcomings identified during the audit.

The auditor will be responsible for providing guidance and counsel throughout the years as requested.

7. Audit Plan

The auditor will be required to use a comprehensive audit plan and, to the extent permissible, must be willing to review this plan with the district. The plan should cover the study and evaluation of internal controls and the test of records to the extent necessary by the degree of such reliance. It is assumed that many of the tests will be conducted by a sampling of the records maintained in the files. It is understood that the auditor is responsible for the auditing procedures that in his or her professional judgment must consider the materiality of the audit area, the relation to specific standards and the relation to expressing an opinion on the statements as a whole. District officers should be consulted when such judgments result in a disproportionate amount of effort being expended on a particular subject.

8. Communication

The auditor will maintain regular contact and meet with the district administrators and other personnel including but not limited to:

- A. Engagement planning meeting
- B. Progress reports

- C. Closing review meeting
- D. Changes that would affect the reporting requirements of the school district
- E. Report only changes made by the auditors in order for the District to balance to the general ledger.
- F. Sharing of innovative methods and procedures that may warrant district investigation and/or consideration

9. Number of Copies of Auditor's Reports

The auditor shall furnish the school district with 15 bound copies of the Financial Statements and Single Audit Compliance reports. In addition, the auditor shall furnish and/or upload copies of the audit for submission to each federal, state (and county) agency as may be required.

It will be the auditor's responsibility to place on file electronically the audited financial statement with the Michigan Department of Treasury, MDE, and any other entities requiring the electronic filing.

It is to be understood that this RFP constitutes specifications only for the purpose of receiving proposals for services and does not constitute an agreement for those services. It is further expected that each bidder will read these specifications with care. Failure to provide requested information or meet certain specified conditions may invalidate the proposal(s).

The audit period under contract is for the one-year period from July 1, 2024 to June 30, 2025, and may be extended for four (4) annual renewals at the discretion of the Board of Rochester Community Schools, but the term of the engagement shall end:

- 1. When the audit contract has been violated
- 2. When the quality of the audit is unacceptable

The information contained herein is believed to be accurate, but is not to be considered in any way as a warranty.

All questions should be submitted online at BidNet Direct. In order to assure consistency of information provided regarding this RFP, direct contact with school district personnel is discouraged and may be grounds for elimination from the selection process.

Requirements

Auditing Firm Requirements

- 1. The proposing firm is properly licensed for public practice as a certified public accountant.
- 2. The proposing firm meets the independence and continuing professional education requirements of the Government Auditing Standards – Standards for Audit of Governmental Organizations, Programs, Activities and Functions.
- 3. The respondent does not have a record of substandard audit work. Please disclose the controls your firm has in place to ensure quality standards have been met. Also disclose whether your firm is subject to an external quality control review process. If

- the firm's most recent external quality control review was qualified, please disclose the reasons for the qualification.
4. The proposing firm has an unqualified Peer Review Report. If the firm's most recent report was qualified, please disclose the reasons for the qualification.
 5. The firm must maintain a sufficient number of professional staff members in order to provide adequate technical expertise and depth.
 6. The firm and the partner assigned to the district must have considerable experience in auditing K-12 public school districts within the State of Michigan.
 7. The auditor is expected to be familiar with the types of policies and procedures school districts follow. (Policies and procedures specific to the District will be available for the auditor for review.)
 8. The auditor will provide a profile of the professional responsible for the overall management of the audit. The auditor must be fully informed regarding generally accepted accounting principles and auditing procedures.
 9. The firm shall identify the audit manager, field supervisors and other staff who will work on the audit, including staff from other than the local office.
 10. Assurance must be given that during the course of the life of the contract there will be some continuity in the assignment of audit staff. It is to the mutual interest of the district and the audit firm that there are not dramatic changes in audit staff every year.
 11. The firm's professional staff must be trained specifically in auditing and accounting for school districts.

Audit Proposal Additional Information

Please include in your proposal answers for the questions below, along with any additional information you feel is necessary to help us evaluate your firm. Proposals are due by 12:00pm on Thursday, March 20, 2025.

1. Location of the office that will be performing the audit for Rochester Community Schools.
2. Number of Michigan school district audits that your firm conducted in each of the last three years.
3. Number of other governmental (fund accounting) audits your firm has conducted in each of the last two years.
4. Provide a list of your firm's involvement in school district type organizations and contacts for at least (3) districts that utilize your service.
5. Number of total audit staff. Do not include tax, consulting services or clerical personnel.
6. Of your staff assigned in school audits, how many years of experience have they had performing school audits (total and with your firm)?
7. What type of updates/consultation do you provide to the school district on an annual and ongoing basis at no additional cost?
8. Indicate other services that you provide to your clients.
9. Please identify the firm's not-to-exceed hourly billing rates for additional (e.g. consulting services) or alternate services beyond the scope of the audit that may be rendered. Include an explanation of the types of additional services that your firm offers that you believe could benefit the district.

Proposal Response

This RFP specifically requests that the vendor present their qualifications and experience for providing financial audit services. In so doing, reference should be made to the proposal format as outlined in the 'Scope' section. Your proposal must be prepared in compliance with provisions, conditions, specifications and instructions of this Request for Proposal. Failure to comply with all provisions, conditions, specifications and instructions of this RFP may result in disqualification of your proposal.

Selection Process and Owner's Rights

The Owner reserves the following:

1. To reject any or all bids without compensation to the bidders and to waive any or all variances, irregularities, or informalities in the bid package.
2. In the event that all acceptable bids exceed the owner's budget, the Owner reserves the right to negotiate a contract with the lowest and best acceptable bidder or any other one of the acceptable bidders.
3. To select more than one vendor.

The submissions will be evaluated and scored according to the following criteria:

- A. Licensing, Independence, Record of Substandard Work
- B. Responsiveness
- C. Technical Experience
- D. Qualifications of Staff
- E. Quality Control Program
- F. Cost
- G. Timing

Award of Contract

Please note a Contract will not necessarily be awarded to the vendor submitting the lowest cost proposal. Rochester Community Schools reserves to award to the most qualified vendor based on the criteria noted herein. The 'Owner' may request in-person interviews with one or more of the vendors to assist in selecting a vendor with which to partner. If a Proposal is selected by the Board of Education, the Board will award a contract to the vendor that it deems most qualified to serve the best interests of the District. The Contract will be awarded, if at all, to the vendor who provides the best value. Acceptance of a Proposal by the District does not constitute a contract. The final Contract document will be subject to negotiation and Board approval. While financial responsibility is a significant concern, the district is equally concerned with the proven ability of the vendor to perform the Contract so that the services will be provided satisfactorily and in accordance with the proposed Contract.

Bid Due Date and Proposal Submission Requirements

1. All proposals, required forms, and pricing shall be submitted electronically on BidNet Direct (<https://www.bidnetdirect.com>) **no later than 12:00 p.m., local time, March**

20, 2025 (the “Due Date”.) No oral, telephonic, or facsimile proposals will be considered.

2. RCS will not consider or accept any late proposals received after the Due Date specified within the RFP. It is the sole responsibility of the Bidder to ensure their proposal is entered completely and forms are uploaded on BidNet Direct before the closing date and hour indicated within the RFP. Bidders shall plan ample time to respond to all requirements and input all requirements. RCS is not responsible for any delivery delays.

Qualification of Bidder

1. The Owner reserves the right to request qualification information from any bidder before issuing documents, receiving proposals or awarding a contract. The Owner may, at its sole discretion, accept or reject bidders as qualified. The right to waive any informalities in qualification materials is reserved by the Owner. The Bidder, in submitting his/her bid, agrees to accept the decision of the Owner as final.
2. The submitters shall provide full disclosure of all existing client relationships that currently or prospectively may give rise to conflicts of interest and disqualification as governed by the codes of rules of professional responsibility and conduct.

Sole Bidder

1. It is the Owner’s intent that this Request for proposals, permits competition. If only one bid is received in response to this invitation to bid, a cost/price analysis and evaluation and/or audit shall be performed of the cost proposal in order to determine if the price is fair and reasonable.
2. The Owner reserves the right to cancel the bid if there is only one bid received. The decision by the Owner will be final.

Addenda

1. Each bidder shall ascertain prior to submitting their bid that they have received all addenda issued.
2. Addenda notices will be sent to all who are known by the Owner to have a set of contract documents. Copies of addenda will be made available for inspection wherever contract documents are on file for that purpose.

Method of Ordering

1. A fully executed engagement letter and the issuance of a written purchase order by the Purchasing Department is the method of ordering services.

Payment

1. Payment to be made from Vendor’s invoice, and accepted during the billing period. Invoices must contain the bid number under which the contract is awarded.

Familial Relationship Disclosure

1. All bidders shall provide familial disclosure in compliance with MCL 380.1267 and attach this information to the bid proposal. The bid proposal shall be accompanied by a sworn and notarized statement disclosing any familial relationship that exists between the bidder or any employee of the bidder, and any member of the Board of Education of the

school district, or the Superintendent of the school district. The District will not consider a bid proposal that does not include this sworn and notarized statement.

Iran Economic Sanctions Act

1. Each bid must be accompanied by a sworn and notarized statement certifying that the Contractor is not an “Iran linked business” within the meaning of the Iran Economic Sanctions Act.

Acceptance and Rejection of Proposals

1. Low proposal price is not always the determining factor in the awarding of the proposal. Other factors considered may include, but not be limited to, the following: perceived quality of services, past performance, and references.
2. The Owner shall have the right to waive any informality or irregularity in any proposal received and to accept proposals which, in their judgment, are in their own best interest.
3. The Owner shall have the right to accept or reject alternates in any order or combination and to determine the apparent low proposal on this basis.

Post-Bid Information

1. After the bids are received, tabulated, and evaluated by the Owner, qualified bidder(s) shall meet with the Owner at a post-bid meeting if requested by Owner.
2. The Owner reserves the right to request additional information from bidders for evaluation criteria as needed.

Bid Proposal Form

Name of Bidder

Firm Name:	
Address:	
Telephone:	Fax:

Agreements

The undersigned understands that the Owner reserves the right to reject any and all bids and to waive informalities and irregularities in bidding.

Owner also reserves the right to withhold bids for a period of time (90 days) from bid closing date.

The Owner reserves the right to accept or reject any or all Bids in whole or in part, or to waive any informalities therein. If in the Owner opinion it is in their best interest, the contract may be awarded to other than the lowest bidder, for reason of establishing uniformity, delivery time, etc.

If award is made to us under this proposal, we agree to enter into an Agreement with Rochester Community Schools to furnish products and/or services, in strict accordance with this proposal, bid documents and all pertinent portions of plans, drawings and specifications.

Addenda

The undersigned acknowledges receipt of the following addenda:

Addendum Number:	Dated:
Addendum Number:	Dated:
Addendum Number:	Dated:

My signature certifies that the proposal as submitted complies with all Terms and Conditions as set forth in this RFP.

My signature also certifies that the accompanying proposal is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of

business or commerce, or any act of fraud. Furthermore, I understand that fraud and unlawful collusion are crimes under Federal Law, and can result in fines, prison sentences, and civil damage awards.

My signature also certifies that this firm has no business or personal relationships with any other companies or persons that could be considered as a conflict of interest or potential conflict of interest to Rochester Community Schools, and that there are no principals, officers, agents, employees, or representatives of this firm that have any business or personal relationships with any other companies or persons that could be considered as a conflict of interest or a potential conflict of interest to Rochester Community Schools, pertaining to any and all work or services to be performed as a result of this request and any resulting contract with Rochester Community Schools.

I hereby certify that I am authorized to sign as a Representative for the Firm:

Legal Status of Bidder

1. A Corporation organized and existing under the laws of the State of _____.
2. Name, title, and signature of individual duly authorized to execute contracts:

Name: _____

Title: _____

Signature: _____

CONTACT PERSON: _____ PHONE NO: _____

References:

<u>Contact Name</u>	<u>School District</u>	<u>Address</u>	<u>Phone #</u>
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1. _____

2. _____

3. _____

FAMILIAL DISCLOSURE AFFIDAVIT OF BIDDER

The undersigned, owner or authorized officer of _____ (the bidder/contractor), pursuant to the familial disclosure requirement provided in the Request for Proposals, hereby represent and warrant, except as provided below, that no familial relationships exist between the bidder/contractor or any employee of the bidder/contractor, and any member of Rochester Community Schools Board of Education, the Superintendent and/or any Rochester Community Schools Administrator.

☐ The following are the bidder's familial relationship(s) with Rochester Community Schools:

Bidder/Contractor Employee Name Related to:

1 _____

2 _____

(Attach additional pages if necessary to disclose all familial relationships.)

☐ There is no familial relationship that exists between the bidder/contractor and/or any employee of the bidder and any member of the Rochester Community Schools Board of Education, Superintendent, or Administration.

Bidder: (Company Name)

By:

(Signature)

(Title)

This instrument was acknowledged before me, a Notary Public, in and for _____ County, _____ on this _____ day of _____, 20____.

SS:

(Notary Public Signature)

My Commission expires: _____

Acting in the County of: _____

Certification of Compliance – IRAN ECONOMIC SANCTIONS ACT
(MICHIGAN PUBLIC ACT NO. 517 OF 2012)

The undersigned, the owner or authorized officer of the Below named Bidder (the "Bidder"), pursuant to the compliance certification requirement provided in the Rochester Community Schools' (the "School District") Request for Bid, hereby certifies, represents and warrants that the Bidder (Including its officers, directors and employees) is not an "Iran linked business" within the meaning of the Iran Economic Sanctions Act, Michigan Public Act No. 517 of 2012 (the "Act"), and that in the event Bidder is awarded a contract as a result of the aforementioned RFB, the Bidder will not become an "Iran linked business" at any time during the course of performing the Work or any service under the contract.

The Bidder further acknowledges that any person who is found to have submitted a false certification is responsible for a civil penalty of not more the \$250,000.00 or 2 times the amount of the contract or proposed contract for which the false certification was made, whichever is greater, the cost of the School District's investigation, and reasonable attorney fees, in addition to the fine. Moreover, any person who submitted a false certification shall be ineligible to bid on a request for bid for three (3) years from the date that it is determined that the person has submitted the false certification.

Name of Company

Name and Title of Authorized Representative

Signature