



**CONTRACT NO.
14-01-16-01**

Auditing Services

Bid packets must be received by

3:00 p.m.
March 06, 2014

Delaware State University
Room 321
Administration Building
1200 North DuPont Highway
Dover, DE 19901-2277

Point of Contact
Jessica Wilson
(302) 857-6272
(302) 857-6278

TO: ALL PROPOSERS

The enclosed packet contains a "REQUEST FOR PROPOSAL" for Auditing Services for Delaware State University. The proposal consists of the following documents:

REQUEST FOR PROPOSAL

1. Definitions and General Provisions
2. Special Provisions, Request for Proposal, and Scope of Work
3. Proposal Reply Section
 - a. Non-Collusion Statement and Acceptance
 - b. Proposal Reply Section

Your proposal and the Proposal Reply Section must be executed completely and correctly and returned in a clearly marked envelope by 3:00 pm EST, March 06, 2014, to be considered.

Please review and follow the information and instructions contained in the General Provisions and this Request for Proposal. Should you need additional information, please call Jessica Wilson at (302) 857-6272.

Minority Business Enterprise (MBE) and Women Owned Business Enterprise (WBE) will be afforded full opportunity to submit proposals and will not be subject to discrimination on the basis of race, color, national origin, or sex in consideration of this award.

Delaware State University reserves the right to extend the time and place for the opening of proposals from that described in the advertisement, of not less than two (2) calendar days notice by certified delivery, facsimile transmission, or by verifiable electronic means to those proposers who obtained copies of the plans and specifications or contract descriptions. Delaware State University reserves the right to reject any and all items, proposals and waive all informalities.

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I. INTRODUCTION

A. Background

Delaware State University (previously known as Delaware State College) (DSU) is a public, comprehensive 1890 land-grant University established by the Delaware General Assembly on May 15, 1891. The University has since developed into a 460-acre complex (originally from 100 acres) and has undergone two name changes. The name was changed to Delaware State College in 1947 from The State College for Colored Students and then in 1993 to Delaware State University. In addition to its main campus in the State capital of Dover, it has additional locations in Wilmington and Georgetown, Delaware, and Hanoi, Vietnam. Currently, the University consists of five Colleges and one school:

1. Agriculture and Related Sciences
2. Arts, Humanities, and Social Sciences
3. Business
4. Education, Health, and Public Policy
5. Mathematics, Natural Sciences, and Technology and
6. School of Graduate Studies and Research

Fifty-two baccalaureate, twenty five masters, and five doctoral degrees are offered through twenty one academic departments. There is also an Honors Program with an Honors Curriculum. Instruction is delivered in classes with an average 14:1 student-to-faculty ratio. Global connections include more than 20 formal international partnerships that facilitate student exchanges and research.

Delaware State University received its first accreditation in 1945 from Middle States. In 2012, the Middle States Commission on Higher Education (MSCHE) reaffirmed the accreditation of Delaware State University for demonstrating that it continues to consistently meet the standards of excellence expected of universities.

B. General Information

Delaware State University (DSU) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2014, 2015, and 2016, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (2011), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

All questions concerning this RFP must be put in writing and e-mailed to jwilson@desu.edu. The questions must be received no later than the timeframe stated in section I (C) – Schedule of Important Dates.

To be considered, one original hard copy along with four (4) hard copies and one soft copy on thumb drive/CD of a proposal must be received by Delaware State University, Office of Purchasing, Room 302, Administration Building, 1200 North DuPont Highway, Dover, DE 19901-2277. No faxed or e-mail proposals will be accepted.

C. Schedule of Important Dates*

RFP issued by the University	January 24, 2014
Pre-proposal conference (2:00 pm EST) Room 300 Administration Bldg.	February 06, 2014
Deadline for Advance RFP questions – noon EST	February 13, 2014
Answers to RFP questions available online	February 24, 2014
Proposals due (3:00 p.m. EST)	March 06, 2014
Interviews with respondents, if needed	To be disclosed
Contract Commences	July 1, 2014

*Each date subject to change

D. Term of Engagement

A three-year contract is contemplated, with the option to audit DSU's financial statements for one additional two-year period (subsequent fiscal years) subject to the satisfactory negotiation of terms (including a price acceptable to both DSU and the selected firm).

II. NATURE OF SERVICES REQUIRED

A. General

DSU is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2014, 2015, and 2016, with the option to audit DSU's financial statements for one additional two-year period (subsequent fiscal years). These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

DSU desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

DSU also desires the auditor to express an opinion on the statement of net position and the related statements of revenues, expenses, and changes in net position and cash

flows. The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. Certain limited procedures should be applied which consist principally of inquiries of management regarding the measurement and presentation of the supplemental information. The auditor is not required to audit this information.

DSU also desires an audit of federal programs and preparation of tax returns (990).

C. Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with: Auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (2003), and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program.
4. A schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
5. Management letter, if applicable, should be submitted on matters which relate to the system of internal controls that come to your attention during the course of your examination.

In the required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. In addition, the following conditions shall be considered reportable:

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts. All situations or transactions that come to the auditor's attention that could be indicative of fraud, abuse, illegal acts, material errors, defalcations, or other irregularities shall be promptly reported to DSU and DSU will determine the appropriate course of action.

Reporting to the Audit Committee and VP for Finance or equivalent. Auditors shall ensure that DSU's Audit Committee is informed of each of the following. It is the responsibility of the auditor to provide the communication to the Audit Committee and VP for Finance or equivalent. The auditor will provide DSU with one copy of the communication listed below.

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Special Considerations

The financial statements of DSU are included as a component unit of the financial statements of the State of Delaware. It is anticipated that the auditor will not be required to provide special assistance to the State of Delaware's auditors.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by DSU of the need to extend the retention period. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Budgetary Basis of Accounting

DSU prepares its budgets on a basis consistent with generally accepted accounting principles.

B. Pension Plans

DSU participates in the State of Delaware's Single Employer, Defined Benefit Program.

C. Component Units

DSU is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, the following component units are discretely presented in DSU's financial statements:

1. DSU Student Housing Foundation. Fiscal Year Ending June 30, (Audit of DSU Housing Foundation will be part of this RFP).
2. DSU Foundation, Inc. Fiscal Year Ending June 30 (Audit of DSU Foundation is contracted to another vendor by the Foundation and will not be part of an engagement resulting from this RFP).

D. Leadership of Finance Operations

The Finance Department is headed by Vice President Dr. Teresa Hardee.

E. Computer Systems

The BANNER Finance System helps to ensure that institutional users will be able to provide the highest quality financial services. The core of BANNER's Finance System, the General Ledger, is integrated with all other finance system areas and conforms to AICPA, FASB, GASB, and GAAP principles supporting either cash or accrual methods.

F. Availability of Prior Audit Reports and Working Papers

Interested firms who wish to review prior years' audit reports and management letters should contact Cosmo Saginario at Grant Thornton, LLP at phone number 212-542-9637 or through email cosmo.saginario@us.gt.com.

IV. TIME REQUIREMENTS

A. Availability of FY Records

The fiscal records are available each year for audit by August 15.

- B. Schedule for the 2014 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years).

Each of the following should be completed by the auditor no later than the dates indicated.

1. Audit Schedule

The auditor shall provide DSU an audit schedule and a list of all information to be provided by DSU by June 15 (except samples of particular transactions that will be reviewed)

2. Draft Reports

The auditor is responsible to submit an electronic version of the draft report and management letter to the DSU VP for Finance, Associate VP for Internal Audit and Advisory Services, and Controller by September 15.

- C. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years).

At a minimum, the following conferences should be held:

1. Entrance conference with VP for Finance and key personnel
2. Progress conference (if needed) with VP for Finance and key personnel
3. Pre-Exit conference with VP for Finance and key personnel to discuss results of the field work and findings (if any).
4. Exit Conference with President or his Designee, VP for Finance, and key personnel

D. Reports

1. Draft Reports - The auditor shall provide an electronic version of the draft report and management letter to the VP for Finance, Associate VP for Internal Audit and Advisory Services, and Controller for their review and approval by the following dates. University personnel shall complete their review of the draft report as expeditiously as possible. During management review, the auditor should be available to discuss the audit report and other issues as a result of the audit.

Fiscal Year 2014

- Financial Audit - September 15, 2014
- A-133 Audit – November 15, 2014
- NCAA Agreed Upon Procedures – December 05, 2014
- 990 Tax Returns for each entity by October 31, 2014

2. Final Reports – The final report and management letter, if applicable, (printed copies and an electronic version of each) is due to DSU by the following dates.

Fiscal Year 2014

- Financial Audit -September 30, 2014
- A-133 Audit – November 30, 2014
- NCAA Agreed Upon Procedures – December 15, 2014
- 990 Tax returns for each entity by November 10, 2014

All subsequent fiscal year audits will follow same due dates unless otherwise instructed by authorized DSU management.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Vice President’s Office. The cost of confirmations will be the responsibility of DSU. The preparation of the financial statements is the responsibility of DSU.

B. Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor. The draft report shall be reviewed by the manager/supervisor in charge and by the engagement partner before it is submitted to DSU. Thirty (30) copies of the basic financial statements as well as the Report of Independent CPA in Accordance with OMB Circular A-133 are required.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Written Questions

Questions regarding the University and this RFP shall be made in writing and directed to:

Jessica Wilson
Director of Purchasing
Delaware State University
Administration Building, Room 302
1200 N. DuPont Highway
Dover, DE 19901-2277
Email: jwilson@desu.edu

2. Submission of Proposals

To be considered, all proposals must be submitted in writing and respond to the items outlined in this RFP using the requested format. DSU reserves the right to reject any non-responsive or non-conforming proposals. For a proposal to be considered, the following materials must be received by the University by the time and date outlined in schedule of important dates section:

a. A master hard copy (so marked) of a sealed proposal, four (4) copies and one softcopy to include the following:

(i) Title Page

Title page showing the request for proposals' subject; RFP reference number; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP which the applicant may have taken in presenting the proposal.

(2) Table of Contents

Table of contents should clearly identify each section by page number.

(3) Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for one month after due date of proposal.

(4) Detailed Proposal

The proposal must conform to the proposal requirements of the RFP. DSU specifically reserves the right to waive any informalities or irregularities in the proposal format. The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

b. Modifications

Any changes, amendments, or modifications to the proposal must be made in writing, submitted in the same manner as the original response and conspicuously labeled as a change, amendment, or modification to a previously submitted proposal. Changes, amendments, or modifications to proposals shall not be accepted or considered after the time and date specified as the deadline for submission of proposals.

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of DSU in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost proposal). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of DSU as defined by [auditing standards generally accepted in the United States of America/the U.S. General Accounting Office's *Government Auditing Standards* (2011)].

The firm also should provide an affirmative statement that it is independent of all of the component units of DSU as defined by those same standards.

The firm also should provide an affirmative statement that it is independent of DSU's primary government, and any other component units of that entity, as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving DSU or any of its [component units/ agencies] for the past five (5)

years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give DSU written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Delaware

An affirmative statement should be included that the firm and the engagement partner and manager/supervisor in charge are properly licensed to practice in the State of Delaware. The applicant must provide evidence of a valid Delaware business license.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. The firm must also include a copy of the letter of comments, if applicable.

The firm shall certify that it has not been suspended or debarred from performing government audits or from other government activity. In addition, the firm shall certify that it has not been the object of any disciplinary action during the past three (3) years.

The firm must certify that it shall maintain such insurance as will protect against claims under the Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The contractor is an independent contractor and is not an employee of the State.

The contractor shall, at its expense, carry insurance of minimum limits as follows:

- a. Comprehensive General Liability.....\$1,000,000
- b. Medical/Professional Liability..... \$1,000,000/\$3,000,000

The contractor shall provide evidence of such insurance.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in the State of Delaware. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the DSU's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of DSU. However, in either case, DSU retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of DSU, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with DSU

List separately all engagements within the last three years, ranked on the basis of total staff hours, for DSU by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last three years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan for the financial audit and A-133 audit, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as DSU's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of DSU's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from DSU.

10. Report Format

The proposal should include sample formats for required reports.

C. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to the proposal is to contain all direct and indirect costs including all out-of-pocket expenses.

DSU will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost proposal. Such costs should not be included in the proposal.

The first page of the dollar cost proposal should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with Delaware State University.
- c. A Total All-Inclusive Maximum Price for the 2014 engagement.

2. Rates by Partner, Specialist, Supervisory & Staff Level Times Hours Anticipated. The second page of the dollar cost proposal should include a schedule of professional fees and expenses, presented in a format that supports the total all-inclusive maximum price.

Rates and hours anticipated by partner, specialist, supervisory and staff levels.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by DSU for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the dollar cost proposal. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost proposal stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing DSU rates for its employees.

4. Rates for Additional Professional Services

If it should become necessary for DSU to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between DSU and the firm. Any such additional work agreed to between DSU and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal.

5. Manner of Payment

Progress payments up to ninety (90%) percent will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) of the contract amount will be retained until the Exit Conference has been held and the final reports have been reviewed and accepted by DSU.

The Contractor must submit all invoices to DSU for approval and payment.

VII. EVALUATION PROCEDURES

A. Evaluation Committee

Proposals submitted will be evaluated by an Evaluation Committee selected by DSU.

The Evaluation Committee may negotiate with one or more of the qualified firms during the same period and may, at its discretion, terminate negotiations with any and all firms.

B. Review of Proposals

Proposals which do not meet or comply with the instructions of the RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at sole discretion of the Evaluation Committee.

The Evaluation Committee will use a point formula during the review process to score proposals. All assignments of points shall be at the sole discretion of the Evaluation Committee. Each member of the Evaluation Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Evaluation Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at an average technical score for each firm. At this point, firms with an unacceptable low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the dollar cost proposal will be added to the technical score based on the price proposal. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

DSU reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

All firms are required to meet these elements. No points assigned.

- a. The audit firm is independent and licensed to practice in Delaware. Please provide a copy of your firm’s State of Delaware Occupational License (issued by the Division of Revenue); a copy of the firm’s State of Delaware Board of Accountancy permit; and copies of the State of Delaware Board of Accountancy Permit of the engagement partner and the manager/supervisor in charge.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for DSU.
- c. The firm meets the continuing professional education standards of the *Government Auditing Standards*.
- d. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- e. The firm has the following minimum limits in insurance:
 - (1) Comprehensive General Liability.....\$1,000,000
 - (2) Medical/Professional Liability.....\$1,000,000/\$3,000,000
- f. The firm has not been suspended or debarred from performing government audits or from other governmental activity.
- g. The firm has not been the object of any disciplinary action during the past three (3) years.

2. Technical Quality: (Maximum Points - [75])

- a. Expertise and Experience
 - (1) The firm's past experience and performance on comparable government engagements

- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

3. Price: (Maximum Points - [25])

D. Reservation of Rights

The Evaluation Committee reserves the right to:

1. Select for contract or for negotiations a proposal other than that with the lowest costs.
2. Reject any and all proposals received in response to this RFP or to make no award or issue a new RFP.
3. Waive or modify any information, irregularity, or inconsistency in proposals received.
4. Request modification to the proposal from any or all contractors during the review and negotiation.
5. Negotiate any aspect of the proposal with any firm and negotiate with more than one firm at the same time.

E. Oral Presentations

During the evaluation process, the Evaluation Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Evaluation Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

F. Final Selection

DSU will select a firm based upon the recommendation of the Evaluation Committee.

It is anticipated that a firm will be selected in accordance with schedule section I (C) – Schedule of Important Dates of this RFP.

G. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between DSU and the firm selected.

DSU reserves the right without prejudice to reject any or all proposals.

VIII. RIGHTS OF DELAWARE STATE UNIVERSITY

- A. Amendment or Cancellation of RFP. The University reserves the right to amend or cancel this RFP at any time if the best interest of the University requires such action.
- B. Proposal Modifications. No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by the University.
- C. Exceptions to Bid Specifications. The University reserves the right to require separate listings of exceptions to bid specifications, or the exceptions will be invalid.
- D. RFP Events and Timing. The timing and sequence of events from this RFP will be determined by the University. The schedule is detailed in section I (C) – Schedule of Important Dates. Vendor contacts will be notified of any amendment to this schedule during the RFP Process.
- E. Proposal Expenses. The University assumes no liability for payment of any incurred costs by any vendor in responding to the RFP.
- F. Acceptance or Rejection of Proposals. The University reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part; and to waive technical defects, irregularities or omissions, if in its sole judgment, the best interests of the University will be served. The University further reserves the right to accept a proposal for a contract other than that with the lowest cost, and to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of the University.
- G. Ownership of Proposals. All proposals submitted in response to this RFP shall become the sole property of the University.
- H. Oral Agreements and Arrangements. Any alleged oral agreement or arrangement made by vendor with the University or any University employee will be disregarded in any proposal evaluation or associated award.
- I. Vendor Presentation of Supporting Evidence/Surety. Vendors must be prepared to provide any evidence of experience, performance, ability, and/or financial surety that the University deems necessary to fully establish the performance capabilities represented in their proposals.

- J. Vendor Demonstration of Proposed Services. Vendors may be asked to demonstrate specific proposed services or products including program components, software and hardware included in their response. Any requested demonstration will be provided at a site approved by the University and without cost to the University.
- K. Vendor Misrepresentation or Default. The University reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any University contract.
- L. Erroneous Awards. The University reserves the right to correct inaccurate awards resulting from its clerical errors.
- M. Public Records. Due regard will be given for the protection of proprietary information contained in all proposals received. However, vendors should be aware that all materials associated with this procurement are subject to all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of their proposal. **All such materials should be submitted in a separate sealed envelope and marked "CONFIDENTIAL".**

- N. Offer of Gratuities. The vendor warrants, represents, and certifies that no elected or appointed official or employee of the University has or will benefit financially or materially from this procurement. Any contract and/or award arising from this RFP may be terminated by the University if it is determined that gratuities of any kind were either offered to, or received by any of the aforementioned officials or employees from the vendor, the vendor's agent or the vendor's employees.
- O. Inspection of Work Performed. During and after the commencement of this project, the University, and its authorized representatives, shall be allowed access to inspect all materials, documents, work papers, equipment or products, deliverables, or any such other items which pertain to the scope of work for this RFP and contract. This requirement also applies to any subcontractors who may be engaged by the vendor.
- P. Collusion. By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud. Please complete form in Exhibit 1 and attach it with your response.
- Q. Indemnification

1. General Indemnification. By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the University, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the vendor's agents and employees' performance work or services in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, solely or in part, to the University, its employees or agents.
2. Propriety Rights Indemnification. Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the University, the University shall promptly notify the vendor in writing and the vendor shall defend such claim, suit or action at vendor's expense, and the vendor shall indemnify the University against any loss, cost damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.
3. If any equipment, software, services (including methods), products or other intellectual property used or furnished by the vendor (collectively "Products") is or in vendor's reasonable judgment is likely to be, held to constitute an infringing product, vendor shall at its expense and option either:
 - a. Procure the right for the University to continue using the Product(s);
 - b. Replace the Product with a non-infringing equivalent that satisfies all the requirements of the contract; or
 - c. Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality or efficiency of the Product or cause the Product(s) or any part of the work to fail to conform to the requirements of the Contract, or only alters the Product(s) to a degree that the University agrees to and accepts in writing.

R. Applicable Law

1. The laws of the State of Delaware shall apply, except where Federal Law has precedence. The successful vendor consents to jurisdiction and venue in the State of Delaware.
2. In submitting a proposal, Vendors certify that they comply with all federal, state and local laws in its activities and obligations including:
 - a. The laws of the State of Delaware;
 - b. The applicable portion of the Federal Civil Rights Act of 1964;
 - c. The Equal Employment Opportunity Act and the regulations issued thereunder by the federal government.
 - d. A condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and

- e. That programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the Federal Government.
3. If any vendor fails to comply with any of the applicable laws, the University reserves the right to disregard the proposal, terminate the contract, or consider the vendor in default.
4. The selected vendor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

IX. **CONTRACT PROVISIONS**

The contract to be entered into between the University and the successful Respondent shall contain negotiated provisions based on the specific requirements set forth in this RFP and the successful Respondent's treatment thereof as contained in this proposal, as well as general University contract provisions.

The final award of this contract will be subject to the audit firms' execution of such a contract and the contract's approval by the Board of Trustees. Proposals should include an acknowledgment that the standard provisions included in University contracts are comprehended by the Respondent.

The contract will include:

- A. Time for commencing each of the services accepted;
- B. A provision for financial penalties for failure to adhere to the time commitments without reasonable justification;
- C. A provision stating there will be no subletting of the work to be performed without the written consent of the Vice President for Finance;
- D. A provision specifying that if for any reason a professional assigned to work on a specific audit/tax service proves to be incompatible with the staff of Delaware State University, the University reserves the right to require the assignment of another person of equal qualifications to be assigned;
- E. A provision specifying that the contract may be extended for up to two (2) more annual periods based on current year performance and the continuing integrity of the firm being maintained;
- F. All standard contract provisions generally required of contracts with the University.

Termination

The contract to be entered into between DSU and the successful Respondent shall contain the following provisions dealing with termination. "If the Contractor fails to fulfill any of the terms of the agreement on time, the University shall have the right to terminate the said agreement indefinitely and award a new contract to another Vendor, and the Contractor shall be responsible for damages and for additional costs incurred in rebidding the contract."

Disclaimer

DSU is not liable for any costs incurred by Respondents in the preparation of proposals or for any work performed prior to the approval of an executed contract.

Notification of Selection

After the proposal has been selected, all Respondents will be notified.

Upon selection, the University and the successful Respondent will negotiate a contract. The selected proposal in whole or in part as well as content from this RFP may be incorporated into and made part of the final contract. Should negotiations fail to result in agreement within 14 days of notification of acceptance of a proposal, the University reserves the right to take other action consistent with the best interest of the University.

By issuing this RFP, the University is not obligated to award a contract.

Accounting System

The Contractor shall maintain an accounting system for purposes of audit and examination of any books, documents, papers and records maintained in support of the contract.

Delaware State University Rights

The University reserves the right to accept or reject any or all proposals received in response to this RFP or to take other action consistent with the best interest of the University. The University reserves the right to negotiate separately with any source to serve the best interest of the University.

EXCEPTIONS TO THIS RFP SHALL BE BY WRITTEN NOTIFICATION ON THE AWARD PURCHASE ORDER (PO) IN ORDER TO BE BINDING. ALL SUBMITTED BIDS BECOME THE PROPERTY OF DSU. AFTER THE AWARDED OF THE CONTRACT TO THE SUCCESSFUL BIDDER, ALL BIDS ARE OPENED FOR PUBLIC VIEWING.

X. EXHIBIT I

Commitment and Non-Collusion Statement

This is to certify that the undersigned vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal submitted this date to the DSU.

This is to further certify that the signed delivery of this bid represents the vendor's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions. This statement is signed by an official of the firm who is authorized to enter the firm into a legal agreement with DSU.

NAME OF FIRM

ADDRESS OF FIRM

AUTHORIZED OFFICIAL

TITLE OF OFFICIAL

PHONE NUMBER

FAX

SIGNATURE OF OFFICIAL

DATE

FEDERAL EMPLOYER IDENTIFICATION NUMBER

DELAWARE BUSINESS LICENSE NUMBER

BELOW MUST BE SIGNED AND NOTARIZED FOR YOUR BID TO BE CONSIDRED

SWORN AND SUBSCRIBED before me this _____ day of
_____ 20__.

City of _____

County of _____

State of _____

My Commission Expires: _____

Notary Public

This Statement must be completed, signed and notarized.