



REQUEST FOR PROPOSAL

ANNUAL AUDIT SERVICES

FOR THE DISTRICT'S ANNUAL FINANCIAL AUDIT

AND

**THE *PROPOSITION 39* GENERAL OBLIGATION BONDS
BUILDING FUNDS PERFORMANCE AUDIT**

Due: Wednesday, April 20, 2011, 10:00 a.m.

**Victor Valley Community College District
Fiscal Services
18422 Bear Valley Road
Victorville, California 92395-5850**

NOTICE OF REQUEST FOR PROPOSAL (RFP)

NOTICE IS HEREBY GIVEN that the Victor Valley Community College District, San Bernardino County, California, hereinafter referred to as the "District," will receive up to, but not later than **10:00 a.m. on Wednesday, April 20, 2011**, sealed proposals for the award of a contract for:

ANNUAL AUDIT SERVICES, RFP #BP 6400

Such proposals shall be received at the location specified below, and shall be opened at the stated time and place:

Victor Valley Community College District
Attention: Mary Pringle, Fiscal Services
18422 Bear Valley Road
Victorville, CA 92395-5850

Date of Opening: Wednesday, April 20, 2011

Time of Opening: 11:30 a.m.

Any proposal received after the stated time will not be considered. Proposals submitted and participation by interested proposers in the process shall be at no cost or obligation to the District.

Each proposal must conform and be responsive to this invitation, the Information for Proposers, the Specifications, the Plans and all other documents comprising the pertinent contract documents. Copies of the contract documents are now on file and may be obtained in the District's Fiscal Services Department at the above address.

The District reserves the right to reject any or all proposals, to accept or to reject one or more items of a proposal, or to waive any irregularities or informalities in the proposals, or in the proposal process.

No proposer may withdraw its proposal for a period of sixty (60) days after the date set for the receipt of proposals.

Mary Pringle
Director, Fiscal Services
Victor Valley Community College District

Advertising Dates:
March 30 and April 6, 2011

Published in Daily Press

IMPORTANT NOTICE

**If you have down-loaded this document
from our web page,
please make sure that you provide
your company name, address,
phone number, fax number and
contact name to:**

pringlem@vvc.edu

**so that your company is added
to our vendor list
ensuring that you will receive
all addenda**

TABLE OF CONTENTS

INFORMATION FOR PROPOSERS.....	1
CONTRACT	4
BACKGROUND AND REQUIREMENTS.....	10
SPECIFICATIONS FOR SECTION 1.....	12
SPECIFICATIONS FOR SECTION 2.....	18
PROPOSAL FORM.....	20
ACCOUNTANT/AUDITOR'S FEES FOR SECTION 1.....	21
ACCOUNTANT/AUDITOR'S FEES FOR SECTION 2.....	22
REFERENCES.....	23
NON-COLLUSIVE BIDDING DECLARATION	24
CONTRACTOR'S CERTIFICATION, WORKERS' COMPENSATION	25

INFORMATION FOR PROPOSERS

1. **SECURING DOCUMENTS:** Specifications and other contract document forms will be available without charge, and may be secured by prospective proposers at the office of:

Mary Pringle, Director of Fiscal Services
Victor Valley Community College District
18422 Bear Valley Road
Victorville, CA 92395-5850

2. **PROPOSALS:** Proposals to receive consideration shall be made in accordance with the following instructions:

- (a) Proposals shall be made upon the form therefore obtained at the office referenced above and properly executed. Proposal forms shall be completed by writing in ink or by typewriter. Proposals are to be verified before submission as they cannot be corrected after proposals are opened. The signature of all persons signing shall be in longhand by authorized signatory personnel of your company. The completed form shall be without interlineations, alterations or erasures. Alternative proposals will not be considered. No oral or telegraphic modifications will be considered.
- (b) Before submitting a proposal, proposers shall carefully read the specifications and the forms of other documents. They shall fully inform themselves as to all existing conditions and limitations, and shall include in the proposal a sum to cover the cost of all items included in the contract. No allowance will be made because of lack of such examination or knowledge.
- (c) The decision as to acceptability of items rests solely with the District staff. Proposer shall submit complete information on the services stated in proposal form. Failure to do so may nullify the proposal. Any concerns regarding the specifications must be called to the attention of the District prior to the opening date set forth herein.
- (d) No charge for packing, postage, express, or for any other purposes will be allowed over and above the prices quoted on the proposal sheet.
- (e) Proposals shall be delivered to the District, at the office indicated, on or before the day and hour set for the opening of proposals in the NOTICE OF REQUEST FOR PROPOSALS, attached herein, which proposals shall be enclosed in a sealed envelope bearing the description of the proposal call, and the name of the proposer. It is the responsibility of the proposer to ensure that their proposal is received in proper time and at the proper place. Any proposals received after the scheduled closing time for receipt of proposals shall be returned to the proposer unopened.

3. **PRICES:** All proposal prices shall include separate proposals for each item or unit specified. Corrections may be inserted prior to the proposal opening. Changes must be made in ink and initialed by the person signing the proposal or by his authorized representative. In any case in which the total proposal price does not equal the unit prices times the quantities indicated, unit prices shall govern.

4. **ADDENDA OR BULLETINS:** Any addenda or bulletins issued by the Victor Valley Community College District during the time of the proposal process, or forming a part of the documents issued to the proposer for the preparation of their proposal, shall be covered in the proposal and shall be made a part of the contract.

5. **WITHDRAWAL OF PROPOSALS:** Any proposer may withdraw its proposal, either personally or by a written request, at any time prior to the scheduled time for opening of proposals.

6. **AWARD OR REJECTION OF PROPOSALS:** The Contract will be awarded to the successful firm based on selection criteria outlined in this request for proposals. The Governing Board of the Victor Valley Community College District, however, reserves the right to reject any/or all proposals, to accept or reject any one or more items of a proposal, and to waive any informality in the proposals or in the proposal process.
7. **WITHDRAWAL OF PROPOSALS AFTER OPENING:** No proposer may withdraw its proposal within sixty (60) days of the date set for the opening thereof.
8. **AGREEMENT:** The form of agreement, which the successful firm, as contractor, will be required to execute, is included in the contract documents and should be carefully examined by the proposer. The agreement will be executed in two (2) original counterparts. The complete contract consists of the following documents: The Notice of Request for Proposals, the Information for Proposers, the Accepted Proposal, the Specifications, the Agreement, including all modifications thereof duly incorporated therein, and the Purchase Order, if applicable. All of the above documents are intended to cooperate and be complementary, so that any instructions or requirements called for in one and not mentioned in the other, or vice versa, are to be executed the same as if mentioned in all said documents. The intention of the documents is to include all labor, materials, equipment and transportation necessary for the proper delivery of all services called for in the Contract.
9. **INTERPRETATION OF DOCUMENTS:** If any person contemplating submitting a proposal for the proposed contract is in doubt as to the true meaning of any part of the specifications, or other proposed contract documents, or finds discrepancies in, or omissions from the specifications, they are instructed to contact Mary Pringle, Director of Fiscal Services, at (760) 245-4271, extension 2450, to request an interpretation or correction thereof. The District may require that such request be in writing, in which case the person submitting the request will be responsible for its prompt delivery. Any interpretation or correction of the proposed documents will be made by Addendum duly issued by the Director of Fiscal Services, and a copy of such Addendum will be mailed or delivered to each person receiving a set of such documents. The District will not be responsible for any other explanation or interpretation of the proposed documents.
10. **PROPOSERS INTERESTED IN MORE THAN ONE PROPOSAL:** No person, firm, or corporation shall be allowed to make or file or be interested in more than one proposal for the same work, unless alternate proposals are called for. A person, firm, or corporation submitting a sub-proposal to a proposer, or who has quoted prices on materials to a proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other proposers.
11. **ASSIGNMENT OF CONTRACT:** No assignment by the successful firm of any contract to be entered into hereunder or any part thereof, or of funds to be received thereunder by the successful firm, will be recognized by the District unless such assignment has had the prior approval of the District and the surety has been given due notice of such assignment in writing and has consented thereto in writing.
12. **PERMITS AND LICENSES:** The proposer and all of the proposer's employees or agents shall secure and maintain in force such licenses and permits as are required by law, in connection with the furnishing of materials, articles, or services listed herein. All operations and materials shall be in accordance with all applicable Federal, State, County and City requirements.
13. **NON-COLLUSIVE BIDDING DECLARATION:** The form of such declaration is included as part of the contract documents. Each proposer shall sign the declaration and submit it with his/her sealed proposal.
14. **WORKER'S COMPENSATION:** In accordance with the provisions of Section 3700 of the Labor Code, successful firm shall secure the payment on compensation to his employees. Successful firm shall sign and file with the District the following certificate prior to performing the work under this contract: "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract." The form of such certificate is included as a part of the contract documents. Each proposer shall sign the certificate and submit it with his/her sealed proposal.

15. **HOLD HARMLESS:** The successful firm agrees to defend and hold harmless the Victor Valley Community College District, its Board of Trustees, officers, agents and employees, individually and collectively, from and against all costs, losses, claims, demands, suits, actions, payments and judgements, including legal and attorney fees, arising from personal or bodily injuries, property damage or otherwise caused, brought or recovered against any of the above that may arise for any reason from or during or be alleged to be caused by the successful firm's performance of professional services set forth herein. The successful firm further agrees to provide a Certificate of Insurance for liability coverage and limits acceptable to the District.
16. **INSURANCE:** The successful firm shall maintain adequate insurance to protect him/herself and the District from claims for damages or personal injury, including but not limited to, death, damage to property and loss of property, and from claims under Workers' Compensation Acts, which may arise from operations under a contract with the District. The successful firm shall be required to file the following proofs of such insurance with the District prior to receiving authorization to proceed on a contract:
- Certificate of Insurance confirming \$1,000,000 combined single limit general liability coverage, automobile liability coverage, professional liability coverage, and contractual liability coverage, all four naming the **Victor Valley Community College District** as an additional insured and copies of the endorsements to the policies naming the **Victor Valley Community College District** as an additional insured.
 - Proof of workers' compensation coverage.

Should any of the above described policies be canceled prior to their expiration dates, the issuing company shall mail thirty (30) days written notice of cancellation to the District.

The successful firm shall maintain current insurance documents, for all of the above coverage, on file at the District during the term of any contract with the District.

17. **CONFLICTS CHECK:** The District reserves the right, before any contract award is made, to require any firm to whom it may make a contract award, to do a conflicts check and disclose all actual and potential conflicts to the District. In the event a conflicts check is required, the District will provide a list of major vendors doing a significant amount of business with the District. The potential contractor must disclaim in writing any conflict of interest. Furthermore, the District reserves its rights to reject the selected firm if its conflicts check reveals actual conflicts, and go to the next preferred firm.

CONTRACT FOR ANNUAL AUDIT SERVICES

This contract made and entered into this _____ day of _____, 2011 by and between the Victor Valley Community College District of San Bernardino County, California, hereinafter called the "District" and _____, hereinafter called the "Contractor."

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by those present do covenant and agree with each other, as follows:

Article 1. CONTRACT DOCUMENTS: The complete contract consists of the following documents: The Notice of Request for Proposals, the Information for Proposers, The Accepted Proposal, the Specifications, the Contract, including all modifications thereof duly incorporated therein, and the Purchase Order, if applicable. Any and all obligations of the District and the Contractor are fully set forth and described therein or are reasonably inferable therefrom. All of the above documents are intended to cooperate and be complementary, so that any work called for in one and not mentioned in the others or vice versa, is to be executed the same as if mentioned in said documents. The documents comprising the complete contract are sometimes hereinafter referred to as the Contract Document, or the Contract.

Article 2. EMPLOYMENT OF CONTRACTOR: The District, pursuant to Section 84040 of the Education Code, hereby employs the Contractor to perform the necessary professional services, including but not limited to those hereinafter set forth in connection with an audit of all funds, books and accounts of the District.

Article 3. SCOPE OF THE AUDIT: The audit of the funds, books, and accounts of the district shall include all funds of the District including general fund, debt service, revenue bond construction, capital outlay projects, child development, health trust, self insurance, student financial aid, scholarship and loan, associated students, student center fee, student rep fee, Victor Valley Community College Auxiliary Organization funds and accounts, and any other funds under the control or jurisdiction of the District. The examination shall include review of internal controls systems and review of compliance with State and federal regulatory provisions, as applicable.

The distribution of audit reports shall include, but are not limited to, those entities identified in the California Community Colleges Contracted District Audit Manual and any additional parties identified by the District.

Article 4. AUDIT PERIOD: The initial contract period to audit will be for fiscal year 2010-2011, with an option to renew for three additional one-year periods, which will be the 2011-2012, 2012-2013, and 2013-2014 fiscal years respectively.

Article 5. VERIFICATION OF PRIOR YEAR'S FUNDS BALANCES: The audit shall include a verification of fund balances at the beginning of the audit period, provided there has been a responsible audit for the year prior to commencement of each audit period, from which such verification can be made, otherwise such verification may be excluded at the discretion of the District.

Article 6. AUDIT PROCEDURES: The audit shall be performed in accordance with General Accounting Office standards for financial and compliance audits and shall include to the extent applicable, the audit procedures required by:

- California Community Colleges Contracted District Audit Manual, published by the Chancellor's Office of the California Community Colleges
- Student Attendance Accounting Manual, published by the Chancellor's Office of the California Community Colleges
- California Community Colleges Budget and Accounting Manual, published by the Chancellor's Office of the California Community Colleges
- Auxiliary Organizations, Requirements for Accounting, Reporting and Auditing, published by the Chancellor's Office of the California Community Colleges

- California Education Code, Title 5, California Code of Regulations, published by the Publications Section of the Department of General Services
- Guidelines for Financial and Compliance Audits of Federally Assisted Programs, published by the U.S. General Accounting Office
- Government Auditing Standards, 2007 Revision, published by the Government Accountability Office
- Compliance Supplement for Single Audits of State and Local Governments and Non-Profit Organizations, published by the Office of Management and Budget
- Catalog of Federal Domestic Assistance, published by the U.S. General Services Administration 2010
- In accordance with all applicable FASB and GASB requirements
- Student Fee handbook published by the Chancellor's Office of the California Community Colleges
- OMB Circulars A-21, A-110, A-133 published by the U.S. Office of Management and Budget
- AICPA Audit and Accounting Guide: Audits of State and Local Governments published by the American Institute of Certified Public Accountants

The scope of the annual audit shall not be limited to that provided in the aforementioned publications in the event that in the opinion of the Contractor particular circumstances warrant extension thereof.

The Contractor shall provide the State access to audit working papers to complete a review if requested.

Article 7. FORM AND CONTENTS OF REPORT: The form and contents of the audit report shall be in conformity, to the extent practicable, with such form and content as may be prescribed by the Department of Finance under Section 84040.5 of the Education Code and OMB Circular A-133, with respect to federally assisted programs.

Contractor will issue a management letter that points out areas of material weaknesses in internal control systems; comments on areas of possible improvements in systems, procedures, and management practices of District; and identifies areas of possible violations of financial and accounting-related regulatory provisions.

Article 8. QUALITY OF WORK: Contractor shall be responsible for the performance of all work as specified in this Contract. Contractor shall guarantee that work meet or exceed the specifications as set forth herein. If it is found that such materials and/or services do not meet requirements of this Contract, Contractor shall be required to correct the same at their own expense.

8.1 Contractor's Employees: Contractor shall not employ on the audit any unfit person or anyone not skilled in the audit responsibilities assigned to him/her and shall devote only its best qualified personnel to work under the contract. Should the District deem anyone employed on the audit incompetent or unfit for his/her duties and so inform Contractor, Contractor shall immediately remove such person from audit under this order and he/she shall not again, without prior written permission of the District, be assigned to work under this contract.

Contractor shall not assign primary responsibility of this audit to any person who does not meet the following requirements:

- a. Certified Public Accountant accreditation;
- b. Ability to provide direct supervision of support staff;
- c. Minimum experience with at least two complete audits of Community College Districts.

8.2 Associates: The Contractor shall have the option, with the written consent of the District, to associate

with others at Contractor's expense, accountants or other qualified persons to render services in connection with the work and to delegate to them such duties as they may delegate without relieving themselves from administrative or other responsibility under this contract.

Article 9. EXTRA WORK AND SERVICES: In the event that circumstances disclosed by the audit indicate that more detailed verification is required in addition to that which would be sufficient under ordinary circumstances, the Contractor shall at once notify the District in writing of the fact, together with a written estimate of the additional work and services required and the estimated cost thereof. In the event the District authorizes and approves the performance of such extra work and services, it shall so notify the Contractor in writing. NO claims of the Contractor for extra work or services shall be allowed or paid without such written consent and approval of the District first having been so obtained before such extra work and services are entered upon or undertaken.

Article 10. SCHEDULE: District shall schedule and coordinate Contractor's performance of audit and the work of others and Contractor agrees to comply strictly with such scheduling and coordination. The final version of the Audit Timeline Schedule shall be finalized between the District and the Contractor.

Article 11. COMMENCEMENT OF WORK: Work by the Contractor under this contract shall commence:

- June 1, 2011, for fiscal year 2010-2011
- June 1, 2012, for fiscal year 2011-2012
- June 1, 2013, for fiscal year 2012-2013
- June 1, 2014, for fiscal year 2013-2014
- June 1, 2015, for fiscal year 2014-2015

or as soon thereafter as the District states in the Audit Timeline Schedule.

Article 12. COMPLETION AND DELIVERY OF REPORT: The Contractor shall complete the audit, present the report at the appropriately scheduled Governing Board meeting and cause copies of the completed report to be filed on or before:

- December 31, 2011, for fiscal year 2010-2011
- December 31, 2012, for fiscal year 2011-2012
- December 31, 2013, for fiscal year 2012-2013
- December 31, 2014, for fiscal year 2013-2014
- December 31, 2015, for fiscal year 2014-2015

with the Chancellor's Office of the California Community Colleges, the State Department of Finance, and the Federal Bureau of the Census. Additionally, the auditor shall file with the Victor Valley Community College District 25 copies (23 bound and 2 unbound) and PDF file of the audit reports, including a separate report for the *Proposition 39 Performance Audit* on or before:

- December 31, 2011, for fiscal year 2010-2011
- December 31, 2012, for fiscal year 2011-2012
- December 31, 2013, for fiscal year 2012-2013
- December 31, 2014, for fiscal year 2013-2014
- December 31, 2015, for fiscal year 2014-2015

Article 13. THE CONTRACTOR'S FEES: The District agrees to pay and the Contractor agrees to accept for performance of all services rendered herein, exclusive of extra work and services, a fee in the sum not to exceed:

- \$ _____ for audit of fiscal year 2010-2011
- \$ _____ for audit of fiscal year 2011-2012
- \$ _____ for audit of fiscal year 2012-2013
- \$ _____ for audit of fiscal year 2013-2014
- \$ _____ for audit of fiscal year 2014-2015

The above pricing is firm for the duration of the audit and includes all of Contractor's cost, taxes, duties, license fees, expenses, overhead, required bonds, and profit.

It is understood and agreed that said fee is a maximum fee and is subject to corresponding reduction in the event the actual cost of making the audit proves to be less than is now estimated at the time of entering into this contract. The hourly rates, which include a reasonable profit and constitute the basis upon which the maximum fee has been determined, are hereby fixed and set forth as follows;

Classification	Hourly Rate 2010-2011 Audit	Hourly Rate 2011-2012 Audit	Hourly Rate 2012-2013 Audit	Hourly Rate 2013-2014 Audit	Hourly Rate 2014-2015 Audit
Partners					
Managers					
Senior Accountants					
Staff Accountants					
Associate Accountants					

Extra work and services duly ordered and approved as herein above provided and duly performed shall be computed and paid for at the hourly rate set forth above.

Article 14. PAYMENT: Payment terms shall be "Net 30" from the date of acceptance of work or services, or the date of receipt of the invoice, whichever is later. All invoices shall be sent to District's address and marked Attention: Accounts Payable.

Progress invoices of up to ninety percent of the fee, including extra work and services, may be submitted for payment. Payment of the final ten percent of the fee, shall be made after receipt by the District of the required copies of the completed audit report.

Article 15. TERMINATION: The District hereby reserves the right to terminate this contract, with or without cause, at any time. In the event of such termination, the Contractor shall be paid the reasonable value of all services rendered up to the date of such termination as may be determined by the District, and the Contractor hereby expressly waives any and all claims for damages or compensation arising under this contract, except as set forth herein, in the event of such termination. Notwithstanding any of the foregoing provisions, if, for any reason, the Board of Trustees fails to appropriate or allocate funds for further payment under this Contract, the District will not be obligated to pay remaining unpaid balances beyond those funds for items already received.

Article 16. WAIVER OF LIABILITY: The Contractor shall hold harmless and indemnify the District and its trustees, officers, and employees from every claim or demand which may be made by reason of:

- a) Any injury to person or property sustained by the Contractor or by any person, firm, or corporation employed directly or indirectly by him upon or in connection with his performance under the contract, however caused.
- b) Any injury to person or property sustained by any person, firm, or corporation, caused by an act, neglect, default, or omission of the Contractor of any person, firm, or corporation, directly to indirectly employed by him or in connection with his performance under the Contract, however caused.
- c) Any liability that may arise from the furnishing or use of any copyrighted or uncopyrighted composition, secret process or unpatented invention under this Contract.

The Contractor, at his own expense and risk, shall defend any legal proceedings that may be brought against the District, or its Governing Board, its officers or employees, on any such claim or demand, and satisfy and judgement that may be rendered against any of them.

Article 17. INSURANCE, PERMIT AND LICENSE REQUIREMENTS: The Contractor shall obtain, in such form and with such carriers acceptable to the District, and keep in force at its sole expense during the term of this Contract and any extensions, insurance adequate to protect the Contractor from claims under Workers' Compensation Acts, and from claims for damages for personal injury (including death), and damage to property which may arise as a consequence of this Contract. All policies, with the exception of Workers' Compensation, shall name the District, its officers, directors, agents, and employees as additionally insured, with respect to the Contractor's acts or omissions under this agreement, and shall contain a covenant requiring thirty (30) days' prior written notice to the District before cancellation, reduction, or any other modification of coverage. These policies shall be primary and non-contributory with any insurance of the District and shall contain a severability of interest clause in respect to cross liability, protecting each named insured as though a separate policy had been issued to each. Certification of the above policies shall be furnished to the District upon execution of this agreement. The failure to furnish such evidence may be considered default by the Contractor. The Contractor and all of its employees or agents shall secure and maintain in force such licenses and permits as are required by law, in connection with the furnishing of goods or services covered under this Contract. All operations and materials shall be in accordance with the law.

Article 18. LIQUIDATED DAMAGES: It is agreed by the parties to the contract that in the event complete delivery is not made within the time or times set forth pursuant to the specification, damage will be sustained by the District, and that is and will be impractical and extremely difficult to ascertain and determine the actual damage which the District will sustain in the event of and by reason of such delay. Therefore, it is agreed that Contractor shall pay to the District, as fixed and liquidated damages, and not as penalty, a dollar sum in the amount of One Hundred Dollars (\$100.00) per calendar day for each and every calendar day's delay in making delivery in excess of the time or times specified. It is further agreed that in the even such damages are sustained by the District, the District shall deduct the amount thereof from any moneys due or that may become due the vendor under the contract.

Article 19. SUCCESSORS AND ASSIGNS: All terms, conditions and provisions hereof shall inure to and shall bind the parties hereto their, and each of their respective heirs, executors, administrators, successors and assignees.

Article 20. ASSIGNMENT OF CONTRACT: The Contractor shall not assign, transfer, convey, sublet or otherwise dispose of this contract or any part thereof, of any right, title or interest therein, funds to be received hereunder, or any power to execute the same without the consent in writing of the District.

Article 21. FORCE MAJEURE: The parties to the Contract shall be excused from performance thereunder during the time and to the extent that they are prevented from obtaining, delivering or performing by act of God, fire, strike, loss or shortage of transportation facilities, lockout, or commandeering of materials, products, plant, or facilities by the government, when satisfactory evidence there of is presented to the other party, provided that it is also established that the non-performance is not due in part to the fault or neglect of the party not performing.

Article 22. DEFAULT BY CONTRACTOR: District shall hold Contractor responsible for any damage which may be sustained because of the failure or neglect of Contractor to comply with any term or condition listed herein, it being specifically provided and agreed that time shall be of the essence of the Contract delivery requirement. If the Contractor fails or neglects to furnish or deliver any of the materials, supplies, or services listed herein at the prices named and at the time and place herein stated, or otherwise fails or neglects to comply with the terms of the Contract, the District may, upon written notice to the Contractor, cancel the Contract in its entirety or cancel or rescind any or all items affected by such default, and may, whether or not the Contract is canceled in whole or in part, purchase the materials, supplies, or services elsewhere without notice to the Contractor. The prices paid by the District at the time such purchases are made shall be considered the prevailing market prices. Any extra cost incurred by Contractor default may be collected by the District from the Contractor and/or from the surety on the performance bond, if any.

Article 23. ATTORNEYS' FEES: If suit is brought by either party to this contract to enforce any of its terms (including all component parts of the contract documents), and the District prevails in suit, the Contractor shall pay all litigation expenses incurred by the District, including attorneys' fees, court costs, expert witness fees and investigation expenses.

Article 24. INDEPENDENT CONTRACTOR: Contractor is not an officer, employee, or agent of the District. While engaged in carrying out and complying with the terms and conditions of this contract, the Contractor is an independent Contractor, and is not an officer, employee or agent of the District.

Article 25. INSTRUCTIONS TO PROCEED: Contractor is not to proceed with performance of any services under this contract without first securing written authorization from the District to do so.

Article 26. AUDIT COMPLIANCE WITH OMB CIRCULAR A-133: In the event the federal government finds the audit to be inadequate due to Contractor negligence, acts of commission or omission, the Contractor shall indemnify the District. Further, the Contractor shall perform, at no additional cost, whatever follow-up work is necessary to make the audit comply with OMB Circular A-133 and to reimburse the District for any costs attributable to the adverse determination.

Article 27. ACKNOWLEDGEMENT AND ACCEPTANCE: IN WITNESS WHEREOF the District, by order of its Governing Board, has caused this instrument to be duly subscribed, and the Contractor has caused this instrument to be duly subscribed and executed, all on the date first hereinbefore set forth.

VICTOR VALLEY COMMUNITY
COLLEGE DISTRICT
San Bernardino County, California

By _____
GH Javaheripour
Vice President, Administrative Services

Date _____

Contractor

By _____
(Signature of Authorized Agent)

Printed Name _____

Title _____

Date _____

Approved by the Governing Board on:

BACKGROUND AND REQUIREMENTS

- 1. BACKGROUND:** The Victor Valley Community College District (hereinafter referred to as "District") has one accredited college with a total headcount of approximately 19,400 students per year. Full-time equivalent students (FTES) for fiscal year 2009-2010 were 10,002. The District's fiscal system is maintained on San Bernardino County Superintendent of Schools through the California Educational Computer Consortium (CECC). The CECC business and personnel software is a complete, integrated package containing business, personnel and payroll functions automated through position control. CECC staff is in the process of re-engineering all systems to internet based technology using Microsoft industry standards. The student system is maintained on Datatel's Colleague. The District's total General Fund budget is approximately \$61 million. The 2009-2010 audit is available on the college's website: http://www.vvc.edu/offices/fiscal_services/6-30-2010%20Audit%20Report%20FINAL.pdf.

On November 4, 2008, the voters of San Bernardino County passed ballot measure *Measure JJ*, authorizing the issuance and sale of \$297,500,000 of general obligation bonds. The first issuance and sale of general obligation bonds closed on June 17, 2009, for a principal amount of \$54,004,962.90 (Series A). The second issuance and sale of general obligation bonds closed on June 17, 2009, for a principal amount of \$12,000,000 (Series B). After defeasance of the District's Certificates of Participation, the net deposit to the County Treasury was \$13,798,617. Lastly, on June 17, 2009, the District issued Series C in the amount of \$70,017,065. The District is not fiscally independent and, therefore, all warrants are processed by the San Bernardino County Superintendent of Schools. All *Measure JJ* funds are accounted for in Fund 42 of the Revenue Bond Construction Fund.

Measure JJ was a Proposition 39 bond. The passage of Proposition 39 in November 2008 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual, independent performance audit to ensure that funds have been expended only on the specific projects listed (Article XIII A, sec. 1(b)(3)(C) as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects (Article XIII A, sec. 1(b)(3)(D).

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908, was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Proposition 39, including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

Please note that all prior year audited financial statements can be reviewed by prospective bidders by visiting the District's website at http://www.vvc.edu/offices/fiscal_services/.

- 2. STATEMENT OF WORK:** The District is requesting proposals from interested Accounting (CPA) firms to perform annual audit services of the District's funds (Section 1 of the RFP), and annual audit services of *Measure JJ* Bond funds (Section 2 of the RFP), for the fiscal year beginning July 1, 2010, and ending June 30, 2011.
- 3. TERM:** The initial contract period to audit will be for fiscal year 2010-2011, with an option to renew for four additional one-year periods, which will be the 2011-2012, 2012-2013, 2013-2014, and 2014-2015 fiscal years, respectively. As part of the criteria for the renewal process, the successful firm will be evaluated annually in order to strengthen a positive client-auditor relationship.

The District reserves the right to award the *Measure JJ* Bond funds audit (Section 2 of the RFP) to a separate firm.

Interested firms responding to this RFP are to include all costs for labor and materials to accomplish the annual audit services.

4. **QUESTIONS CONCERNING RFP:** Any technical questions concerning the annual audit services requested in this RFP should be directed to Mary Pringle, Director of Fiscal Services, pringlem@vvc.edu with a copy to Deedee Orta, Budget Analyst, ortad@vvc.edu. Any procedural questions concerning the submission of this RFP should be directed to Mary Pringle, Director of Fiscal Services, pringlem@vvc.edu.

Questions should be received no later than April 8, 2011, by 2:00 p.m. Any clarifications resulting from questions will be distributed to all firms that received an RFP packet.

SPECIFICATIONS FOR SECTION 1 RESPONSE
DISTRICT'S ANNUAL FINANCIAL AUDIT

1. **GENERAL REQUIREMENTS:** Education Code, Section 84040, requires that community college districts provide for an annual audit of all funds, books and accounts of the district and any other funds that are under the control or jurisdiction of the Victor Valley Community College District.
2. **ANNUAL AUDIT OF DISTRICT FUNDS:** The annual audit services proposed herein shall be made in accordance with generally accepted auditing standards and shall include reporting requirements and audit procedures required by:
 - California Community Colleges Contracted District Audit Manual, published by the Chancellor's Office of the California Community Colleges
 - Student Attendance Accounting Manual, published by the Chancellor's Office of the California Community Colleges
 - California Community Colleges Budget and Accounting Manual, published by the Chancellor's Office of the California Community Colleges
 - Auxiliary Organizations, Requirements for Accounting, Reporting and Auditing, published by the Chancellor's Office of the California Community Colleges
 - California Education Code, Title 5, California Code of Regulations, published by the Publications Section of the Department of General Services
 - Guidelines for Financial and Compliance Audits of Federally Assisted Programs, published by the U.S. General Accounting Office
 - Government Auditing Standards, 2003 Revision, published by the Government Accountability Office
 - Compliance Supplement for Single Audits of State and Local Governments and Non-Profit Organizations, published by the Superintendent of Documents of the U.S. Government Printing Office
 - Catalog of Federal Domestic Assistance, published by the U.S. Services Administration, 2005
 - Financial Accounting Standards Board (FASB) and Government Accounting Standards Board (GASB)

The scope of the annual audit shall not be limited to that provided in the aforementioned publications in the event that in the opinion of the auditors particular circumstances warrant extension thereof.

The annual audits shall include all funds of the district for the fiscal years ending June 30 including, but not limited to:

1. Governmental Fund Types
 - a. General Fund
 - b. Special Revenue Funds (including Bookstore, Child Development and Ornamental Horticulture)
 - c. Debt Service Funds
 - d. Capital Outlay Projects Funds

2. Proprietary Fund Types
 - a. Internal Service
3. Fiduciary/Trust Fund Types
 - a. Student Financial Aid (BOGG, CAL Grants, EOPS, CARE, Federal Work Study Program, PELL Grant Program, and SEOG Grants)
 - b. Scholarship and Loan
 - c. Associated Student Body
 - d. Victor Valley College Student Center Fee Fund
 - e. Health Trust Fund
 - f. Self Insurance Trust Fund
4. In addition to the above referenced categories, successful firm will also be required to audit Associated Student Body of Victor Valley College.

And any other funds and/or accounts under the control of the Governing Board of the Victor Valley Community College District.

At the conclusion of the annual audit, the successful firm is required to provide, at a minimum, the following in a published report:

- a) Introduction
- b) Independent Auditors' Report
- c) Managements' Discussion and Analysis (MD&A)
- d) Basic Financial Statements
- e) Notes to Financial Statements
- f) Supplementary Information, including the fund balance information for each of the District funds
- g) Notes to Supplementary Information
- h) Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting based on an audit of basic Financial Statements performed in accordance with *Government Auditing Standards*
- i) Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133
- j) Independent Auditor's Report on State Compliance
- k) Schedule of Findings and Questioned Costs
- l) Summary of auditor's results
- m) Management Letters
- n) Status of Prior-Year Findings and Recommendation

The auditor shall agree to complete the audit, present the report at the appropriately scheduled Governing Board meeting and cause copies of the completed report to be filed on or before:

December 31, 2011, for fiscal year 2010-2011
 December 31, 2012, for fiscal year 2011-2012
 December 31, 2013, for fiscal year 2012-2013
 December 31, 2014, for fiscal year 2013-2014
 December 31, 2015, for fiscal year 2014-2015

with the Chancellor's Office of the California Community Colleges, the State Department of Finance, and the federal Bureau of the Census. Additionally, the auditor shall file with the Victor Valley Community College District 25 copies (23 bound and 2 unbound) and PDF file of the audit reports (including separate reports for Proposition 39 General Obligation Bonds Building Fund Performance Audit) on or before:

December 31, 2011, for fiscal year 2010-2011
 December 31, 2012, for fiscal year 2011-2012
 December 31, 2013, for fiscal year 2012-2013
 December 31, 2014, for fiscal year 2013-2014
 December 31, 2015, for fiscal year 2014-2015

Working papers shall be retained by the auditor for a period of five (5) years after issuance of the audit

report, unless otherwise specified in writing by the District. Such working papers shall be available for review and audit by the District, representatives of the federal and/or State governments, subsequent audit firms and other individuals designated by the District. Working papers must be submitted to the requesting party within thirty (30) days of the request.

3. AUDIT REPORT CHECKLIST: The District will be using this checklist to assist in making an evaluation of the audit report(s) and to check compliance with the reporting requirements of the Contracted District Audit Manual.

	<u>YES</u>	<u>NO</u>
1. Has the audit report been completed within the contracted time frame?	_____	_____
a. Was the audit be reviewed by District Administration in time to be submitted to the Fiscal and Program Standards Accountability Unit of the Chancellor's Office by the required date?	_____	_____
b. Has a copy of the approved extension request been forwarded to the Fiscal and Program Standards Accountability Unit of the Chancellor's Office?	_____	_____
2. Was the Audit report's objective in the Audit Statement comparable to requirements in the district's contract?	_____	_____
3. Did the audit report include the following?		
a. Introduction	_____	_____
b. Independent Auditors' Report	_____	_____
c. Management's Discussion and Analysis (MD&A)	_____	_____
d. Basic Financial Statements	_____	_____
e. Notes to Financial Statements	_____	_____
f. Supplementary Information	_____	_____
g. Notes to Supplementary Information	_____	_____
h. Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting based on the audit of Basic Financial Statements Performed in accordance with <i>Government Auditing Standards</i>	_____	_____
i. Independent Auditor's Report on Compliance with Requirements Applicable to each major program and Internal Control Over Compliance in accordance with OMB Circular A-133	_____	_____
j. Independent Auditor's Report on State Compliance	_____	_____
k. Schedule of Findings and Questioned Costs	_____	_____
l. Summary of Auditor's Results	_____	_____
m. Management Letters	_____	_____
n. Status of Prior-Year Findings and Recommendations	_____	_____
4. Did the following auditor's reports include signed and dated statements by the auditor indicating the audit		

was made in accordance with generally accepted auditing standards and the standards identified by the State Department of Finance?

- a. Auditor's Report on Financial Statements _____
- b. Auditor's Report on Internal Control _____
- c. Auditor's Report on Federal Compliance _____
- d. Auditor's Report on State Compliance _____

- 5. Did the auditor present financial statements in accordance with the format identified in the Contracted District Audit Manual? _____

- 6. Did notes to the financial statements correctly reflect information provided to the auditor? _____

- 7. Did the Auditor's Report on State and Federal Compliance include all required compliance elements? _____

- 8. Did the auditor present findings and recommendations clearly and factually? _____

- 9. Did the district responses stated by the auditor agree with the district's positions on current status? _____

- 10. Did the current audit report reflect findings previously cited and not yet resolved by district? _____

4. EVALUATION QUESTIONS: It is imperative that all prospective proposers pay particular attention to the following instructions for responding to evaluation questions. The questions ensure uniform comparison of auditors. Failure to respond or comply with the following requirements may disqualify prospective proposer.

Respond to all questions as they relate to the audit proposed for Victor Valley Community College District on your own paper titled **RESPONSES TO EVALUATION QUESTIONS**.

- 1. **Firm**
 - 1.1 Describe the organization and size of the audit firm.
 - 1.2 Indicate whether the firm is a local, regional, or national operation.
 - 1.3 Identify the location of the office that will be conducting the work.
 - 1.4 Describe the range of professional services performed by the local office.
 - 1.5 Provide a sample audit planning document.
 - 1.6 Provide three (3) examples of significant audit risk areas for Community Colleges.
 - 1.7 Provide disclosure statement required by Audit Standards.
 - 1.8 Provide the names of five (5) relevant references.
 - 1.9 Indicate whether your firm participates in peer review, and if so, attach a copy of the letter your firm received during the last review.
 - 1.10 List the Community Colleges currently audited by the office that will manage this assignment.

2. Personnel

- 2.1 Provide the names and classification of personnel who will be assigned to the audit.
- 2.2 Describe the audit experience of the assigned staff, including the partner in charge of the audit engagement; also include the level of personnel assigned.
- 2.3 Describe specific community college district auditing experience of those staff assigned to this audit. Include experience with GASB reporting requirements and auditing standards.
- 2.4 Describe bond fund auditing experience of those staff assigned to this audit.

3. Other Audits

- 3.1 List other audits performed in the educational area by the firm. List only those audits conducted by the office that will be assigned to this engagement. Indicate which listed audits were completed in a timely manner and accepted by the entity.
- 3.2 List other governmental audits performed by the firm. List only those audits performed by the assigned office.

4. Computer Audits

- 4.1 Describe the experience in performing audits of on-line data base computerized financial system. Specifically, describe the experience in this area of those staff members who will be assigned to the audit.

5. PROPOSAL CONTENT: A complete proposal shall include all of the following documents (organized in listed order):

- a. Completed Proposal Form.
- b. Completed Responses to Evaluation Questions.
- c. Completed Audit References form.
- d. Description of services to be provided, including, but not limited to the following:
 - Period for which financial records are to be examined
 - Purpose of examination
 - Scope of examination, including control and review of compliance with state and federal regulatory provisions, as applicable
 - Verification of prior year balances
 - Reference audit standards to be used
 - Provisions that the auditor will issue a management letter which points out areas of material weaknesses in internal control systems; makes comments on areas of possible improvements in systems, procedures and management practices of the District; and identifies areas of possible violations of financial and accounting related regulatory provisions
 - Statement of auditor's responsibility for detection of fraud
- e. Completed Accountant/Auditor's Fees form
- f. Completed Non-Collusive Bidding Declaration form
- g. Completed Contractor's Certification Regarding Workers' Compensation form

To be an acceptable proposal, all of the above documents must be included in the submittal.

6. EVALUATION OF PROPOSAL: Responses to the Request for Proposal should clearly state audit procedures to be followed and services to be performed. The following evaluation procedures and selection criteria will be used to determine which firm will be awarded a contract:

Evaluation Procedures

1. All proposals will be reviewed to determine which meet the formal requirements specified in this request for proposal.
2. All proposals meeting the formal requirements will then be evaluated according to identified selection criteria.

Selection Criteria

The following criteria will be used to evaluate the proposals:

1. Appropriateness and adequacy of proposed procedures
2. Necessity of proposed procedures
3. Reasonableness of time estimates
4. Appropriateness of assigned staff
5. Timeliness of expected completion dates
6. Technical and related experience of the firm
7. Qualifications of staff
8. Size and structure of firm, considering the scope of the audit
9. Description of the products to be provided
10. Information from audit references
11. Cost of work to be performed
12. Finalists may be asked to make a presentation to the Governing Board

This Request for Proposal shall not be construed to create an obligation on the part of the District to enter into a contract with any accounting/audit firm. This request is an information solicitation of proposals only. It is not intended nor is it to be construed as the engaging in formal competitive bidding pursuant to any statute, ordinance, policy, or regulation. The District reserves the right to reject any or all proposals received in response to the Request for Proposal or to negotiate separately with any auditor when it is in the best interest of the District to do so.

The District is not responsible for payment of costs incurred in the preparation of the requested proposals or any other ancillary expense.

SPECIFICATIONS FOR SECTION 2 RESPONSE
MEASURE JJ BOND FUNDS ANNUAL FINANCIAL AUDIT

- 1. **GENERAL REQUIREMENTS:** Proposition 39, AB 1908, Education Code Section 15272 and Government Code Section 53411, relating to school bonds, requires annual audits of the funds, books and accounts of the bond funds to assure that the funds are being spent only on school and classroom improvements and for no other purpose.
- 2. **ANNUAL AUDIT OF BOND FUNDS:** The successful firm shall provide an annual independent performance audit of all Measure JJ bond funds, books, and accounts under the jurisdiction and control of the District ending June 30 in each of the fiscal years identified in this RFP. The annual audit shall include an audit of the Proposition 39 bond proceeds to ensure that the funds have been expended only for specified projects.

The successful firm shall consider provisions of the California Community Colleges Budget and Accounting Manual and other such publications relating to community college accounting procedures in effect during the periods under audit. The scope of the annual audit services shall not be limited to that provided in the aforementioned publications in the event that in the opinion of the successful firm, particular circumstances warrant extension thereof.

Such examination shall be made in accordance with generally accepted auditing standards and shall include such tests of the accounting records and such other auditor procedures as the successful firm considers necessary.

- 3. **REPORT FORMAT:** At the conclusion of the annual audit, the successful firm is required to provide the following in a published report:

- Citizens' Bond Oversight Committee Member Listing
- Introduction
- Audited Comprehensive Financial Statements with Accompanying Notes
- Auditor's Opinion on the Financial Statements
- Auditor's Report on Internal Controls Associated with The Financial Statements
- Auditor's Opinion Concerning the District's Performance Related to the Requirements that all Bond Funds Were Spent Only On School and Classroom Improvements And As Described In The Ballot Measure
- The Auditor Will be Expected To Attend A Meeting of the Citizens' Bond Oversight Committee to Present the Completed Audit.

The auditor shall agree to complete the audit and cause 25 copies (23 bound and 2 unbound) and PDF file of the audit report to be filed with the District on or before:

- December 31, 2011, for fiscal year 2010-2011
- December 31, 2012, for fiscal year 2011-2012
- December 31, 2013, for fiscal year 2012-2013
- December 31, 2014, for fiscal year 2013-2014
- December 31, 2015, for fiscal year 2014-2015

Working papers shall be retained by the auditor for a period of five (5) years after issuance of the audit report, unless otherwise specified in writing by the District. Such working papers shall be available for review and audit by the District, representatives of the federal and/or State governments, subsequent audit firms and other individuals designated by the District. Working papers must be submitted to the requesting party within thirty (30) days of the request.

4. **AGREED-UPON PROCEDURE ENGAGEMENTS:** As a part of the annual audit process, the District may require the successful firm to review specific procedures and controls beyond the normal scope of the annual audit process. This review may be requested to be conducted as an expansion of the annual audit or to be conducted outside that time period.

An agreed-up procedure engagement shall conform to the general, fieldwork, and reporting standards for attestation engagements as set forth in "Statements on Standards for Attestation Engagements" (SSAE 1), as well as SSAE 4. The District and the successful firm shall present the results of applying agreed-upon procedures to the specific subject matter in the form of findings. The report on agreed-upon procedures shall be in the form of procedures and findings.

PROPOSAL FORM

TO: VICTOR VALLEY COMMUNITY COLLEGE DISTRICT, acting by and through its Board of Trustees, herein called the "District":

1. Pursuant to and in compliance with your Notice of Request for Proposals and the other documents relating thereto, the undersigned Proposer, having familiarized him/her self with the terms of the Agreement, the Plans and Specifications and other Contract Documents, hereby proposes and agrees to perform, within the time stipulated, the Contract, including all of its component parts, and everything required to be performed, all in strict conformity with the plans and specifications and other Contract Documents, including Addenda Nos. _____, and _____, on file at Fiscal Services of said Board for the sums set opposite the articles listed herein:

2. It is understood that the District reserves the right to reject this Proposal in whole or in part; to waive informalities in the proposals or in the bidding, and that this proposal shall remain open and not be withdrawn for a period of sixty (60) days from the date prescribed for the opening of this Proposal.

3. It is understood that the successful proposer will be required to deliver ALL ITEMS AS SO STIPULATED IN THE TERMS AND CONDITIONS OF THEIR PROPOSAL DOCUMENT AND WITHIN THE DELIVERY TIME STATED.

4. It is understood and agreed that if written notice of the acceptance of this proposal is mailed, telegraphed or delivered to the undersigned, within sixty (60) days after the opening of the proposal, or at any time thereafter before this proposal is withdrawn; the undersigned agrees that he/she will execute and deliver to the District a contract in the form attached hereto in accordance with the proposal as accepted, all within five (5) days after receipt of notification of award, and that performance of the contract shall be commenced immediately by the undersigned proposer, upon due execution and delivery to the District of the contract; and shall be completed by the Contractor in the time specified in Article 10 of the Agreement of said Contract Documents.

5. Notice of acceptance or requests for additional information should be addressed to the undersigned at the address stated below.

Proper Name of Proposer

By: _____
Authorized Agent Signature

Date: _____

Address: _____

Telephone: _____

Fax No.: _____

ACCOUNTANT/AUDITOR'S FEES FOR DISTRICT'S ANNUAL FINANCIAL AUDIT
(SECTION 1)

Firms that respond to the Request for Proposal shall state the annual cost for the audit services for Victor Valley Community College. Please include in each year of your proposal a two-hour educational workshop for the Governing Board concerning the audit process. Please also include in your proposal a short narrative of how your firm will ensure that the Governing Board understands the audit process and has confidence in the District's financial statements and internal controls.

District Audit - Annual Cost

\$ _____ for audit of fiscal year 2010-2011
 \$ _____ for audit of fiscal year 2011-2012
 \$ _____ for audit of fiscal year 2012-2013
 \$ _____ for audit of fiscal year 2013-2014
 \$ _____ for audit of fiscal year 2014-2015

\$ _____ **TOTAL**

The above pricing is firm for the duration of the audit and includes all of Contractor's cost, taxes, duties, license fees, expenses, overhead, required bonds, and profit.

Said fee is a maximum fee and is subject to corresponding reduction in the event that the actual cost of making the audit proves to be less than is now estimated at the time of submitting the proposal. The hourly rates, which include a reasonable profit and constitute the basis upon which the maximum fee has been determined, are hereby fixed and set forth as follows:

Classification	Hourly Rate 2010-2011 Audit	Hourly Rate 2011-2012 Audit	Hourly Rate 2012-2013 Audit	Hourly Rate 2013-2014 Audit	Hourly Rate 2014-2015 Audit
Partners					
Managers					
Senior Accountants					
Staff Accountants					
Associate Accountants					

Throughout the year, the District requires additional services from the accounting/audit firm such as having auditors accessible to the Fiscal Services Department by providing telephone and written services for such purposes as answering accounting questions of unusual nature, answering state or federal agencies who might question some areas or comments contained in the audit report, and similar problems. These services shall be provided at no additional fee during the tenure of the contract.

In the event that circumstances disclosed by the accountant/auditor indicate that more detailed verification is required in addition to that which would be sufficient under ordinary circumstances, the accountant/auditor agrees to notify the District in writing of all facts relative to extraordinary circumstances, together with a written estimate of the additional cost of work and services thereof. No claims of the accountant/auditor for extra work or services shall be allowed or paid without such written consent and approval of the District first having been so obtained before such extra work and services are entered upon or undertaken.

ACCOUNTANT/AUDITOR'S FEES FOR PROPOSITION 39 BOND FUNDS
ANNUAL PERFORMANCE AUDIT
(SECTION 2)

Firms that respond to the Request for Proposal shall state the annual cost for the performance audit services for the *Proposition 39* Bond funds. Please include in each year of your proposal a two-hour educational workshop for the Governing Board concerning the audit process. Please also include in your proposal a short narrative of how your firm will ensure that the Governing Board understands the audit process and has confidence in the District's financial statements and internal controls.

Proposition 39 Bond Fund Audit - Annual Cost

\$ _____ for audit of fiscal year 2010-2011
 \$ _____ for audit of fiscal year 2011-2012
 \$ _____ for audit of fiscal year 2012-2013
 \$ _____ for audit of fiscal year 2013-2014
 \$ _____ for audit of fiscal year 2014-2015

\$ _____ **TOTAL**

The above pricing is firm for the duration of the audit and includes all of Contractor's cost, taxes, duties, license fees, expenses, overhead, required bonds, and profit.

Said fee is a maximum fee and is subject to corresponding reduction in the event that the actual cost of making the audit proves to be less than is now estimated at the time of submitting the proposal. The hourly rates, which include a reasonable profit and constitute the basis upon which the maximum fee has been determined, are hereby fixed and set forth as follows:

Classification	Hourly Rate 2010-2011 Audit	Hourly Rate 2011-2012 Audit	Hourly Rate 2012-2013 Audit	Hourly Rate 2013-2014 Audit	Hourly Rate 2014-2015 Audit
Partners					
Managers					
Senior Accountants					
Staff Accountants					
Associate Accountants					

Throughout the year, the District requires additional services from the accounting/audit firm such as having auditors accessible to the Fiscal Services Department by providing telephone and written services for such purposes as answering accounting questions of unusual nature, answering state or federal agencies who might question some areas or comments contained in the audit report, and similar problems. These services shall be provided at no additional fee during the tenure of the contract.

In the event that circumstances disclosed by the accountant/auditor indicate that more detailed verification is required in addition to that which would be sufficient under ordinary circumstances, the accountant/auditor agrees to notify the District in writing of all facts relative to extraordinary circumstances, together with a written estimate of the additional cost of work and services thereof. No claims of the accountant/auditor for extra work or services shall be allowed or paid without such written consent and approval of the District first having been so obtained before such extra work and services are entered upon or undertaken.

AUDIT REFERENCES

Proposer must be able to present evidence of satisfactory experience in providing audit services. The District is particularly interested in evaluation references of 2-year public community colleges similar in size and budget to Victor Valley Community College District. List additional references for educational or governmental entities that can be contacted for an assessment of past client satisfaction.

Name of Entity: _____
Contact Person: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No.: _____ Fax No.: _____
Email: _____
Number of Years Using Your Firm's Services: _____

Name of Entity: _____
Contact Person: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No.: _____ Fax No.: _____
Email: _____
Number of Years Using Your Firm's Services: _____

Name of Entity: _____
Contact Person: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No.: _____ Fax No.: _____
Email: _____
Number of Years Using Your Firm's Services: _____

Name of Entity: _____
Contact Person: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No.: _____ Fax No.: _____
Email: _____
Number of Years Using Your Firm's Services: _____

NON-COLLUSIVE BIDDING DECLARATION
(To be Executed by Proposer and Submitted with Proposal)

State of California)
)
County of _____)

I, _____ declare as follows:

That I am the _____ of _____ the party making the foregoing proposal; that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proposer has not directly or indirectly induced or solicited any other proposer to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any proposer or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the proposer or any other proposer, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the proposer has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham bid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Proper Name of Proposer

By: _____
(Signature of Authorized Agent/Officer)

Date: _____

CONTRACTOR'S CERTIFICATION REGARDING WORKERS' COMPENSATION

Labor Code section 3700 in relevant part provides:

Every employer except the State shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure. This may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the code, and I will comply with such provisions before commencing the performance of the work of this contract.

Proper Name of Proposer

By: _____
(Signature of Authorized Agent/Officer)

Date: _____

(In accordance with article 5 (commencing at section 1860), chapter 1, part 7, division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this contract.