



Kentucky Community and Technical College System REQUEST FOR PROPOSAL (RFP)

ATTENTION: This is not an order. Read all instructions terms and conditions carefully.

PROPOSAL NO.: RFP -0086	RETURN ORIGINAL COPY OF PROPOSAL TO: KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM PURCHASING DIVISION 300 NORTH MAIN STREET VERSAILLES, KY 40383
Issue Date: October 12, 2009	
Purchasing Officer: Jennifer L. Kelly	
Phone: (859) 256-3297	
Schedule Name: Annual Independent Audit	
Total number of Pages: 14 pages including cover sheet	

IMPORTANT: PROPOSALS MUST BE RECEIVED BY: November 18, 2009, 4:00 PM Local Time

1. It is the intention of the Request for Proposal (RFP) to enter into competitive negotiation as authorized by KRS 45A.085.
2. Proposals for competitive negotiation shall not be subject to public inspection until negotiations between the purchasing agency and all offerors have been concluded and a contract awarded to the responsible offeror submitting the proposal determined in writing to be the most advantageous to the KCTCS, price and the evaluation factors set forth in the advertisement and solicitations for proposals considered.
3. An award of contract may be made upon the basis of the initial written proposals received without written or oral discussions.
4. Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.
5. The KCTCS reserves the right to request proposal amendments or modifications after the proposal receiving date.
6. The contents of the successful proposal shall become part of any contract awarded.

NOTICE

1. Any agreement or collusion among offerors or prospective offerors which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price or to refrain from offering, or otherwise, is prohibited.
2. Any person who violates any provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars nor more than ten thousand dollars, or be imprisoned not less than one year nor more than five years, or both such fine and imprisonment. Any firm, corporation, or association which violates any of the provisions of KRS 45A.325 shall, upon conviction, be fined not less than ten thousand dollars nor more than twenty thousand dollars.

AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

1. That I am the offeror (if the offeror is an individual), a partner, (if the offeror is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the offeror is a corporation);
2. That the attached proposal has been arrived at by the offeror independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the Request for Proposal, designed to limit independent bidding or competition;
3. That the contents of the proposal have not been communicated by the offeror or its employees or agents to any person not an employee or agent of the offeror or its surety on any bond furnished with the proposal and will not be communicated to any such person prior to the official opening of the proposal;
4. That the offeror is legally entitled to enter into contracts with the Kentucky Community & Technical College System, and is not in violation of any prohibited conflict of interest, including those prohibited by the provisions of KRS 45A.330 to .340, 164.390, and
5. That I have fully informed myself regarding the accuracy of the statement made above.

SWORN STATEMENT OF COMPLIANCE WITH CAMPAIGN FINANCE LAWS

In accordance with KRS 45A.110(2), the undersigned hereby swears under penalty of perjury that he/she has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky.

CONTRACTOR REPORT OF PRIOR VIOLATIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341 & 342

The contractor by signing and submitting a proposal agrees as required by 45A.485 to submit final determinations of any violations of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that have occurred in the previous five (5) years prior to the award of a contract and agrees to remain in continuous compliance with the provisions of the statutes during the duration of any contract that may be established. Final determinations of violations of these statutes must be provided to the KCTCS by the successful contractor prior to the award of a contract.

CERTIFICATION OF NON-SEGREGATED FACILITIES

The contractor, by submitting a proposal, certifies that he/she is in compliance with the Code of Federal Regulations, No. 41 CFR 60-1.8(b), that prohibits the maintaining of segregated facilities.

SIGNATURE REQUIRED: This proposal cannot be considered valid unless signed and dated by an authorized agent of the offeror. Type or print the signatory's name, title, address, phone number and fax number in the spaces provided. Offers signed by an agent are to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the issuing office.

Company Name

Authorized Signature

Date

Address

Typed or Printed Name

City, State, Zip

Title

Phone Number

Fax Number

1. STATEMENT OF INTENT AND PURPOSE

You are invited to submit a proposal to provide an independent annual audit for the Kentucky Community and Technical College System (KCTCS) under the guidelines described below. It has been determined that KCTCS personnel are not available nor is it feasible to utilize KCTCS employees for these services. In accordance with Kentucky Revised Statutes 45.A 695(3) and 164A.560 KCTCS is required to solicit proposals from qualified providers for these services.

The Kentucky Community and Technical College System, the largest institution of higher education in the Commonwealth, is comprised of 16 two-year colleges with 67 campuses throughout the state that serve more than 190,000 Kentuckians and 1500 businesses each year in credit programs leading to certificate, diploma, and associate degrees, pre-baccalaureate education for transfer to four-year institutions, and non-credit programs, customized business and industry training, professional continuing education, and personal enrichment opportunities. Key areas of emphasis include increased access to postsecondary education and educational attainment, community and economic development, workforce education and training, adult education and literacy, agriculture and rural development, welfare-to-work, nursing and allied health professions, emerging technologies and occupations, distance learning and online education, global partnerships and international education, and homeland security education and training. KCTCS' operating budget for fiscal year 2010 is approximately \$713 million. Total assets of KCTCS are approximately \$878 million with net assets of approximately \$768 million. For more information regarding KCTCS in general, please consult KCTCS' website at www.kctcs.edu; for recent KCTCS audited financial reports, please consult <http://legacy.kctcs.edu/employee/systemaccounting/>

This Request for Proposals (RFP) is issued to solicit proposals from qualified, experienced, financially sound, responsible firms to provide an independent annual audit of the financial statements of the Kentucky Community and Technical College System in accordance with the specifications included herein for the purpose of rendering an opinion.

KCTCS desires to receive proposals from firms that have significant experience with colleges and universities and expertise in the aforementioned areas of service with the staffing capability to provide an independent audit of its financial statement. The firm shall have sufficient resources to manage services of the magnitude associated with KCTCS, including meeting work required in staggered delivery per the dates and schedule of activities outlined in the enclosed accounting calendar. See schedule A. To ensure completion of the audit without necessity of retraining external audit staff, continuity of staffing by the external auditor from year to year, as well as interim to field work, is required. Proposals should speak to the auditor's ability and willingness to audit in stages with review of the initial nine months (July through March) of the fiscal year being completed in the interim (May) prior to summarizing and finalizing the fieldwork for the entire year's audit upon return in August.

The firm shall preserve and make available to the KCTCS all pertinent records involved in the course of providing services under any contract awarded as a result of this RFP. If for any reason the contract is completely or partially terminated, all records relating to the work shall be preserved and made available to KCTCS for a period of at least five years (5) years from the date of final statement.

The firm shall warrant that any representation made by them in the proposed agreement are true and accurate; that the Contractor is in all ways in compliance with state and federal laws which may govern the subject matter of this RFP; and that the party executing this offer on the Contractor's behalf is duly authorized to do so. The firm shall not have any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder.

2. SCOPE OF AUDIT

KCTCS shall have closed and balanced all accounts and prepared financial statements for all funds to be examined by the auditor not later than August 30 each year. Financial schedules may be provided the auditor in staggered fashion versus in total and in the order as determined by KCTCS. See schedule A for calendar of audit activity and dates financial information will be available for audit. The auditor shall assist in finalizing the KCTCS annual financial report and shall include an opinion in the report regarding the KCTCS financial statements and supplemental financial schedules in conformity with GASB standards. The opinion shall reference examination of the KCTCS financial statements as illustrated in the American Institute of Certified Public Accountants (AICPA) Industry Audit Guide on Audits of Colleges and Universities. KCTCS shall also supply additional financial statistical information not subject to examination by the auditor but necessary to substantially conform to the principles and standards of higher education financial reporting. The auditors shall observe the adequacy of the system of internal control. If weaknesses are noted, appropriate recommendations should be reviewed with the appropriate officials. Audits of any KCTCS foundations are excluded from this contract.

3. AUDITING STANDARDS

The examination shall be made in accordance with generally accepted auditing standards, as adopted by the membership of the AICPA, and Statements of Auditing Standards, Number 1, "Codification of Auditing Standards and Procedures".

4. AUDIT

The auditors will coordinate their efforts with the KCTCS System Director of Business Services.

5. SUMMARY OF WORK

The auditors will make an examination of the financial statements of the following entities and programs for each year ending June 30.

<u>Audit</u>	<u>Due Dates</u>
Kentucky Community and Technical College System	September 15 each year
A-133 Audit of Federal Funds -- Including Title IV Student Financial Aid Programs	September 15 each year
All other related audit work, letter regarding college financial statements, closing package, all related letters (House Bill 622, etc.) ⁽¹⁾	September 15 each year

⁽¹⁾ Please see the following website of audited financial statements and letters from previous audits <http://legacy.kctcs.edu/employee/systemaccounting/>

Examinations will be conducted in accordance with generally accepted auditing standards, including such tests of the accounting records and other auditing procedures as are necessary to enable the auditors to express an independent opinion on the financial statements.

Examinations are to include a review and evaluation of the existing systems of internal controls to provide a basis for reliance thereon in determining the nature, timing and extent of selective audit tests to be applied to recorded transactions and data.

In addition to the examination of the basic financial statements as listed above, reports including but not limited to, the reports listed below will be provided by the auditors:

1. Letter required by Statement of Auditing Standards No. 114.
2. Letter report of findings and recommendations concerning internal accounting controls and procedures with the findings identified by each college. (Management Letter)
3. Letter report expressing an opinion as to KCTCS's compliance with KRS 164A.550 to 164A.630. (The Secretary, Finance and Administration Cabinet, has established a minimum Audit Scope for Compliance with KRS 164A.550 to 164A.630)
4. All reports required by Kentucky Auditor of Public Accounts
5. Report on compliance with House Bill 622
6. State Closing Package Letter with the Annual Financial Report (AFR).
7. Representation Letter
8. Lease Law Compliance for Postsecondary Education Institutions
9. Optional Services

Special audits or agreed upon procedures may be requested from time to time as an extension of the annual financial audit. Examples might include, but are not limited to, services listed below. In these instances, separate fee arrangements will be made based on the rate structure in place for the comprehensive annual audit. The contractor shall provide pricing in their proposal for the fees associated with each of the services listed below.

Potential additional work:

- possible individual college audits, billed separately
- possible college internal control reviews
- possible individual college management reviews with comment letters
- potential bond arbitrage calculations
- potential procurement card review
- potential financial and/or management review of programs

6. SCHEDULE OF IMPLEMENTATION AND PERIOD OF PERFORMANCE

A contract is expected to be effective before February 1, 2010. A personal service contract will be issued each year on a fiscal year basis and shall be subject to review by the Legislative Research Commission Government Contract Review Committee.

Preliminary audit procedures can commence upon execution and filing of contract with the Government Contract Review Committee. The contract may be renewed for additional periods as mutually agreed by both parties.

To facilitate the audit calendar the selected auditor will provide to KCTCS entity and account level risk assessment questionnaires upon contract signing.

7. CONTRACT CHANGES

The KCTCS may, at any time by a written order, make changes within the general scope of the contract. If any such changes occur, a mutually satisfactory adjustment may be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly.

8. BASIS OF PRICE QUOTAIONS

Prices quoted in response to this solicitation shall remain firm for the first year of the resulting contract. After this time, prices are subject to revision that may be either increases or decreases. Any increase in price must be accompanied by proof of an increase in the Contractor's cost of providing service and would be limited to the previous year's wholesale producer price index increase. Revisions may be requested by either of the contracting parties and must be requested in writing.

After the initial contract period, requests for changes in the pricing may be made in writing by either party. In the event the requested revision is refused, the requesting party shall have the right to withdraw from the contract.

The Contractor shall be paid for actual services rendered based upon the billing schedule indicated in the response submitted by the Contractor. Invoices should indicate the contract number and period of performance in accordance with the distribution of costs quoted in the proposal.

9. STATEMENTS, WARRANTIES AND REPRESENTATIONS

The statements contained herein, particularly in the experience and estimated volume sections, are made for the purpose of informing and assisting prospective offerors in preparing proposals. None of the statements contained herein shall be construed to be a warranty or representation.

10. AUDIT REQUIREMENTS

The Contractor shall maintain complete and accurate accounts and records, in accordance with nationally accepted industry standards, of all transactions in connection with KCTCS services provided under the terms of the Contract.

All such accounts, work papers and records shall be retained by the Contractor for a period of five (5) years from the close of each year's audit and may be inspected, reviewed, or audited by a staff

member from KCTCS or the KCTCS independent auditor. Information clearly marked "confidential" under this agreement shall be treated as information identified by the Contractor as confidential, trade secret, commercially sensitive information and shall not be disclosed except as provided by law.

11. ADDITIONAL RELATED PRODUCTS OR SERVICES

KCTCS reserves the right to add additional related products or services based on the original offer. Upon mutual consent of KCTCS and the Contractor on pricing, performance, etc., said additional services may be added to the contract.

12. SUBMISSION OF OFFER

Contractors desiring to respond to this Request for Proposal should submit one (1) original (clearly marked) with live signature, one (1) CD of the written proposal, and seven (7) copies of their response. **No pre-proposal conference is planned.** Sealed proposals will be received in the offices of the Department of Purchasing, Kentucky Community and Technical College System, 300 North Main Street, Versailles, Kentucky 40383, until **4:00 p.m. November 18, 2009**. Each proposal will be stamped with the time and date of receipt. Any proposal received after 4:00 p.m. will not be considered for an award of a contract. In accordance with KRS 45A.085, there will be no public opening. However, after contract award, the solicitation file will become a public record.

13. CONTRACTOR QUALIFICATIONS

KCTCS will consider proposals from qualified outside Contractors who are capable of meeting the terms and conditions stated herein. The Contractor must be ordinarily engaged in the business of providing these services and have sufficient experience, financial and human resources to provide the services specified in this proposal. The Contractor may be required to submit sufficient financial information, such as audited financial statements and Dunn & Bradstreet ratings, to allow KCTCS to evaluate the Contractor's ability to meet the responsibilities of the contract.

The Contractor must submit with the proposal references of previous experience it has auditing financial statements at other institutions of higher education. Information provided must include persons to contact with addresses and phone numbers, the size of the institution served, and other pertinent information which would aid in the determination of an experienced Contractor. KCTCS reserves the right to request additional information to determine the responsibility of the apparent successful Contractor relative to its ability to comply with the terms and conditions of this Request for Proposal.

14. MINIMUM CONTRACTOR QUALIFICATIONS

Contractors shall meet the following minimum qualifications for further consideration of their proposal. The response shall provide evidence showing how your firm meets or exceeds these minimums. Contractors not meeting these minimum qualifications shall not be considered for award of contract.

Proposals will be accepted only from parties that:

1. are free of all obligations and interests that might conflict with the best interest of Kentucky Community and Technical College System

2. have the capacity to provide services on a timely basis
3. have a nationally recognized auditing, tax & consulting practice
4. have an established office within a 100 mile radius of the city of Versailles with sufficient number of staff to provide services to KCTCS

Additionally, Kentucky Community and Technical College System will not be liable for any costs incurred in preparing proposals or associated travel costs. The proposer shall furnish KCTCS such additional information as KCTCS may reasonably require. KCTCS reserves the right to conduct pre-contract negotiations with any or all potential proposers.

15. PERMITS, LICENSES, TAXES AND COMMONWELATH REGISTRATION

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which this contract is performed.

16. FORM OF CONTRACT

The resulting contract between KCTCS and the Contractor shall consist of the Request for Proposal (RFP) and any amendments thereto, and (2) the Contractor's proposal submitted in response to the RFP. In the event of a conflict in language between the two documents referenced above, the provisions and requirements set forth and/or referenced in the RFP shall govern. In the event that an issue is addressed in one document that is not addressed in the other document, no conflict in language shall be deemed to occur. However, KCTCS reserves the right to clarify any contractual relationship in writing with the concurrence of the Contractor, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the Contractor's proposal. In all other matters not affected by the written clarification, if any, the RFP shall govern.

17. ENTIRE AGREEMENT

The resulting contract will represent the entire agreement between the parties with respect to the subject matter thereof and will supersede all prior negotiations, representations or agreements, either written or oral, between the parties hereto relating to the subject matter hereof and shall be independent of and have no effect upon any other contracts. A record of formal contract negotiations between the contractual parties will be prepared by KCTCS and will become a permanent part of the contract file.

18. PREPARATION OF PROPOSALS

Contractor is expected to examine all specifications, terms, conditions, and instructions in this Request for Proposal. Failure to do so will be at the Contractor's risk.

Contractor shall furnish the information required by this RFP. The Contractor shall sign the RFP and print or type name, firm, address, telephone number and date. Erasures or other changes must be initialed by the person signing the offer. An offer signed by an agent is to be accompanied by evidence of his or her authority unless such evidence has been previously furnished to the issuing office. The signer shall further certify that the proposal is made without collusion with any other person, persons, company or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud, and that the signer is authorized to bind the principal offeror.

The proposal should be prepared simply and economically, providing a straightforward concise description of the Contractor's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content. Each copy of the proposal should be bound in single volume where practical. All documentation submitted with the proposal should be bound in the single volume except as otherwise specified.

Any proposal containing terms and conditions not in conformity with the statutes of the Commonwealth of Kentucky shall be rejected.

19. PROPOSAL INSTRUCTIONS

A complete proposal shall include the following:

- A. Executive Summary and Proposal Overview – Provide a general overview of the Contractor's organization and operating structure. Include a narrative history of the organization, and explain the added value that your organization provides and distinguishes it from all others.
- B. Staffing – Describe the staff involved in the management of the organization as well as staffing resources available to complete the requirements of the proposal.
- C. Fees - Provide a schedule or framework of how services will be charged listing hourly rates, fees for all the specific deliverables and services listed above or other methods of fee assessment which may be used for invoicing KCTCS.
- D. Narrative addressing the Contractor's abilities in regard to each evaluation criteria listed herein.

20. INFORMATION REQUESTED FROM THE PROPOSER

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified.

1. Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of contact person and date.

2. Table of Contents

Clearly identify the material by section and page number.

3. Letter of Transmittal

Limit to one or two pages.

- a. Briefly state the proposer's understanding of the work to be accomplished and make a positive commitment to perform the work within the noted time period.
- b. Give the names of the persons who will be authorized to make representations for the

proposer, their titles, addresses and telephone numbers.

4. Profile of the Proposer

- a. State whether the firm is local, regional, national or international.
- b. Give the location of the office from which the work is to be accomplished and the number of partners, managers, supervisors, seniors and other professional staff employed at that office.
- c. Describe the range of activities performed by the local office, such as audit, accounting, tax service or management services.
- d. Indicate the estimated number of hours to complete the audit (this is an estimation only but should be within a reasonable range of actual hours used in the engagement)

5. Summary of the Proposer's Qualifications (in addition to minimum qualifications)

- a. Identify the partners, managers and supervisors, who will work on the audit, including staff from other than the local office. Include resumes for each supervisory person to be assigned to the audit. (The resumes may be included as an appendix).
- b. Describe recent local and regional office auditing experience similar to the type of audit requested, and give the names and telephone numbers of client officials responsible for three (3) of the audits.
- c. Provide a copy of the firm's most recent peer review findings/report

6. Scope Section

Clearly describe the scope of the required services to be provided. Specifically state the auditor's responsibilities for the accuracy of the KCTCS financial statements under Generally Accepted Auditing Standards.

The auditors shall familiarize themselves with and comply with the provisions of any and all statutes, ordinances, charters, bond covenants, administrative codes and orders, rules and regulations that may pertain to the work required in the engagement.

The auditors shall indicate the specific format of data and records they will require or will they work with the format we give them (e.g. trial balance).

The auditors shall provide notice of future GASB and NACUBO regulations and pronouncements and provide guidance for implementation of those regulations and pronouncements.

21. ADDITIONAL INFORMATION

1. KCTCS will not be liable for any cost incurred in the preparation of proposals.

2. The submission of a proposal shall be prima facie evidence that the proposer has full knowledge of the scope, nature, quantity and quality of work to be performed; the detailed requirements of the specifications; and the conditions under which the work is to be performed.
3. The proposer shall furnish KCTCS such additional information as KCTCS may reasonably require.
4. KCTCS will not be liable for any costs not included in the proposal except as authorized in writing by KCTCS Purchasing.
5. KCTCS reserves the right to conduct personal interviews of any, all or none of the proposers prior to selection. KCTCS will not be liable for any costs incurred by the proposer in connection with such interviews (i.e., travel, accommodations, etc.).
6. KCTCS reserves the right to conduct pre-contract negotiations with any or all of the potential proposers.
7. KCTCS reserves the right to reject any and all proposals, the right in its sole discretion to accept the proposal it considers most favorable to KCTCS's interest, and the right to waive minor irregularities in the procedures. KCTCS further reserves the right to reject all proposals and seek new proposals when such procedure is reasonable in the best interest of KCTCS.

22. COST OF PREPARING PROPOSAL

Costs of developing the proposals are solely the responsibility of the Contractor. KCTCS shall provide no reimbursement for such costs.

23. ORAL PRESENTATIONS

As part of the evaluation process, the contractor's who submit a proposal in response to this RFP may or may not be required to give an oral presentation. All costs associated with the Contractor's oral presentation if required shall be solely the responsibility of the respective Contractor. Promises and commitments made by Contractors during oral presentations and demonstrations shall be considered a part of the Contractor's proposal.

24. AMENDMENTS TO REQUEST FOR PROPOSAL

KCTCS reserves the right to request amendments or modifications after the specified receipt date if in the best interest of KCTCS. In the event it is necessary to revise any part of the Request for Proposal after initial mailing, the revision will be mailed to all who received the initial RFP or who have subsequently requested one. Receipt of an amendment to a solicitation by a Contractor must be acknowledged by signing and returning the amendment or by letter. Such acknowledgment must be received prior to the hour and date specified for receipt of offers.

25. ADDENDA

Any "addenda" issued by KCTCS Office of Purchasing prior to the time for receiving proposals shall be covered in the proposal and in closing a contract they shall become a part thereof. Such

"Addenda" shall be acknowledged in the proposal. No instructions or changes shall be binding unless documented by a proper and duly issued Addendum.

26. EXPLANATIONS

Unless it is demonstrated that an adequate response cannot be developed with the data provided in this RFP, KCTCS will not provide additional data based on request from individual respondents. Proposals should be based on the data contained in this RFP. If KCTCS decides to distribute additional information, it will be distributed to all offerors in accordance with paragraph 24 above. Any explanation desired by a Contractor regarding the meaning or interpretation of the solicitation, specifications, etc., must be requested in writing and with sufficient time allowed for a reply to reach Contractors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective Contractor concerning the solicitation will be furnished to all prospective Contractors as an amendment of the solicitation if such information is necessary to Contractors in submitting offers on the solicitation or if the lack of such information would be prejudicial to uninformed offerors. KCTCS reserves the right to require verification or clarification of data and information presented in the Contractor's proposal.

27. QUESTIONS

All questions shall be submitted in writing to:

Jennifer L. Kelly
Office of Purchasing
Kentucky Community and Technical College System
300 North Main
Versailles, KY 40383

Questions may be transmitted via facsimile to 859-256-3124 or via email to: jennifer.kelly@kctcs.edu no later than ten (10) days prior to the RFP due date.

Proposals cannot be faxed.

28. TERM OF CONTRACT

The price contract resulting from this solicitation shall be for the period from date of award to June 30, 2010 with the possibility of renewal for future periods. Renewal is not guaranteed, but may be executed by mutual agreement. A personal service contract will be issued each year on a biennial basis and shall be subject to review by the Legislative Research Commission Government Contract Review Committee.

29. TERMINATION OF CONTRACT

The contract resulting from this RFP shall be subject to the following termination provisions:

- for default
- non performance
- for Contractor bankruptcy
- for unavailability of funds

- otherwise as specifically provided by the contract
- for convenience and without cause with thirty (30) day written notice

30. METHOD OF AWARD

KCTCS may award a contract to the responsive and responsible Contractor whose proposal, conforming to this solicitation, will be the most advantageous to KCTCS based on the criteria as shown in the Evaluation of Proposal section. Final determination shall be the responsibility of KCTCS. Only those proposals received which reflect a comprehensive appreciation of the requested services to KCTCS and offer a realistic solution which will benefit KCTCS will be considered for award of a contract. Award of contract shall be made by KCTCS to the Contractor who offers the best proposal and with whom negotiations result in a contract package of greatest benefit to KCTCS based upon evaluation methods contained herein.

31. EVALUATION OF PROPOSALS

Contract award will be made by the KCTCS Office of Purchasing after evaluation by the committee selected solely for this purpose. Contractors shall prepare their offers addressing each of the criteria below which is listed in order of relative importance. Proposals will be evaluated using a predetermined method to ascertain which proposer best meets the needs of KCTCS. The evaluation will be based on:

1. The proposal's responsiveness in clearly stating the understanding of the work to be performed.
2. The firm's technical experience with institutions of higher education (references must be provided)
3. The audit team's experience and professional activities with higher education.
4. Fees for this fiscal year and estimates for each of the first five of the subsequent years should be indicated along with details of billing policies. .
5. The firm's ability auditor's ability and willingness to audit in stages with review of the initial nine months (July through March) of the fiscal year being completed in the interim (May) prior to summarizing and finalizing the fieldwork for the entire year's audit upon return in August.
6. The firm's ability to provide continuity in staffing from interim (in May) to fieldwork (in August) and year to year.
7. Other additional information – the Contractor may provide any additional information that they feel should be considered when evaluating their ability to provide the services described in this RFP.

32. REJECTION OF PROPOSALS

KCTCS reserves the right to reject any and all proposals and to waive technicalities and minor irregularities in proposals for good cause. Grounds for the rejection of a proposal include, but shall not be limited to:

- Failure of a proposal to conform to the essential requirements of the solicitation.
- A proposal imposing conditions which would modify the terms and conditions of the solicitation, or limit the Contractor's liability to KCTCS on the contract awarded on the basis of such solicitation.
- Failure of the Contractor to sign the required documents.
- Any proposal determined by KCTCS to be unreasonable as to price.
- Proposals received that are determined to be from Contractors who are not qualified.

Technicalities or minor irregularities in a Contractor's proposal may be waived, when KCTCS determines that it will be in their best interest to do so, are mere matters of form not affecting the material substance of a proposal or some immaterial deviation from or variation in the precise requirements of this RFP and having no or a trivial or negligible effect on price, quality, quantity or delivery of supplies or performance of the services being procured, the correction or waiver of which will not affect the relative standing of, or be otherwise prejudicial to other Contractors. KCTCS may either give a Contractor an opportunity to cure any deficiency resulting from a technicality or minor irregularity in its proposal, or waive such deficiency where it is advantageous to KCTCS to do so.

33. INDEMNITY

The Contractor shall hold harmless and indemnify KCTCS against all claims, suits, actions, costs, counsel fees, expenses, damages, and judgment in decrees by reason of persons or property being damaged or injured by the Contractor during the term of the contract, whether by negligence or otherwise.

34. GOVERNING LAW

The contract shall be construed according to the laws of the Commonwealth of Kentucky. Any legal proceedings against KCTCS regarding this RFP or any resultant contract shall be brought in Commonwealth of Kentucky administrative or judicial forums.

35. INTELLECTUAL PROPERTY

Ownership of the intellectual property generated for KCTCS by any contract resulting from this solicitation and paid for in accordance with the agreed upon fee schedule shall reside with KCTCS. Furthermore, KCTCS shall use any images, slogans or other concepts developed under the terms of the resulting contract without additional charge for royalties to the Contractor. Notwithstanding, however, that adjustments to existing pieces or new designs will be charged at the rates specified in the fee schedule of the contract. Any intellectual or commercial property rights created or obtained through performance of a contract with KCTCS shall belong to KCTCS. Neither contractor nor its officers, directors, agents, or employees shall have authority to apply for the ownership or

registration of any intellectual or commercial property rights created or obtained through performance of services provided. Nor shall contractor, its officers, directors, agents, or employees use KCTCS intellectual or commercial property during the term of the agreement for any purpose other than providing the services and after the termination of the agreement for any purpose.

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Schedule A

April 05, 2010

Monday

8:00 AM - 8:30 AM

Accounting: Distribute auditor client assistance list provided by external auditor for financial and A-133 audits.

8:30 AM - 9:00 AM

External auditor: Provide data to audit liaison to allow KCTCS to set up external auditors as KCTCS affiliates for internet and PeopleSoft access.

April 09, 2010

Friday

8:00 AM - 8:30 AM

External auditors to return forms to audit liaison for PeopleSoft access.

May 03, 2010

Monday

12:00 AM - 12:00 AM

Audit areas for this week include "KCTCS 101", Internal Control Questionnaires, Pledges Receivable and Loans Receivable.

All Day

External auditor begins interim work.

10:00 AM - 10:30 AM

Audit Kick Off meeting for auditor staff and KCTCS staff involved in the audit.

May 04, 2010

Tuesday

All Day

Audit areas for this week include "KCTCS 101", Internal Control Questionnaires, Pledges Receivable and Loans Receivable.

Please See Above

12:00 AM - 12:00 AM

External auditor interim work.

May 05, 2010

Wednesday

All Day

Audit areas for this week include "KCTCS 101", Internal Control Questionnaires, Pledges Receivable and Loans Receivable.

Please See Above

All Day

External auditor interim work.

Please See Above

May 06, 2010

Thursday

All Day

Audit areas for this week include "KCTCS 101", Internal Control Questionnaires, Pledges Receivable and Loans Receivable.

Please See Above

All Day

External auditor interim work.

Please See Above

May 07, 2010

Friday

12:00 AM - 12:00 AM	Audit areas for this week include "KCTCS 101", Internal Control Questionnaires, Pledges Receivable and Loans Receivable. Please See Above
12:00 AM - 12:00 AM	External auditor interim work. Please See Above
10:00 AM - 10:30 AM	Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas.

May 10, 2010

Monday

12:00 AM - 12:00 AM	Audit areas for this week include Student and Grant Receivables.
12:00 AM - 12:00 AM	External auditors interim work.

May 11, 2010

Tuesday

All Day	Audit areas for this week include Student and Grant Receivables. Please See Above
All Day	External auditors interim work. Please See Above

May 12, 2010

Wednesday

All Day	Audit areas for this week include Student and Grant Receivables. Please See Above
All Day	External auditors interim work. Please See Above

May 13, 2010

Thursday

All Day	Audit areas for this week include Student and Grant Receivables. Please See Above
All Day	External auditors interim work. Please See Above

May 14, 2010

Friday

12:00 AM - 12:00 AM	Audit areas for this week include Student and Grant Receivables. Please See Above
12:00 AM - 12:00 AM	External auditors interim work. Please See Above

May 14, 2010 Continued

Friday

10:00 AM - 10:30 AM

Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas.

May 17, 2010

Monday

12:00 AM - 12:00 AM

Audit areas for this week include Fixed Assets and Leases.

12:00 AM - 12:00 AM

External auditors interim work.

May 18, 2010

Tuesday

All Day

Audit areas for this week include Fixed Assets and Leases.
Please See Above

All Day

External auditors interim work.
Please See Above

May 19, 2010

Wednesday

All Day

Audit areas for this week include Fixed Assets and Leases.
Please See Above

All Day

External auditors interim work.
Please See Above

May 20, 2010

Thursday

All Day

Audit areas for this week include Fixed Assets and Leases.
Please See Above

All Day

External auditors interim work.
Please See Above

May 21, 2010

Friday

12:00 AM - 12:00 AM

Audit areas for this week include Fixed Assets and Leases.
Please See Above

12:00 AM - 12:00 AM

External auditors interim work.
Please See Above

10:00 AM - 10:30 AM

Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas.

May 24, 2010

Monday

12:00 AM - 12:00 AM Audit areas for this week are to finish up interim work.

12:00 AM - 12:00 AM External auditors interim work.

May 25, 2010

Tuesday

All Day Audit areas for this week are to finish up interim work.
Please See Above

All Day External auditors interim work.
Please See Above

May 26, 2010

Wednesday

All Day Audit areas for this week are to finish up interim work.
Please See Above

All Day External auditors interim work.
Please See Above

May 27, 2010

Thursday

All Day Audit areas for this week are to finish up interim work.
Please See Above

All Day External auditors interim work.
Please See Above

May 28, 2010

Friday

12:00 AM - 12:00 AM Audit areas for this week are to finish up interim work.
Please See Above

12:00 AM - 12:00 AM External auditors interim work.
Please See Above

10:00 AM - 10:30 AM Audit status meeting for auditor representative and KCTCS staff involved in current and subsequent week
audit areas.

May 31, 2010

Monday

All Day Holiday

July 06, 2010

Tuesday

8:00 AM - 8:30 AM

Accounting: Distribute external auditor client assistance list.

August 02, 2010

Monday

12:00 AM - 12:00 AM

External auditor fieldwork begins. Audit areas include A-133, Cash, Investments, Other Assets and open items from interim.

August 03, 2010

Tuesday

All Day

External auditor fieldwork begins. Audit areas include A-133, Cash, Investments, Other Assets and open items from interim.

Please See Above

August 04, 2010

Wednesday

All Day

External auditor fieldwork begins. Audit areas include A-133, Cash, Investments, Other Assets and open items from interim.

Please See Above

August 05, 2010

Thursday

All Day

External auditor fieldwork begins. Audit areas include A-133, Cash, Investments, Other Assets and open items from interim.

Please See Above

August 06, 2010

Friday

12:00 AM - 12:00 AM

External auditor fieldwork begins. Audit areas include A-133, Cash, Investments, Other Assets and open items from interim.

Please See Above

10:00 AM - 10:30 AM

Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas.

August 09, 2010

Monday

12:00 AM - 12:00 AM

External auditor fieldwork. Audit areas this week include A-133, Student and Non-Student Receivables, Loans Receivable, Pledges Receivable and Grants Receivable.

August 10, 2010

Tuesday

All Day

External auditor fieldwork. Audit areas this week include A-133, Student and Non-Student Receivables, Loans Receivable, Pledges Receivable and Grants Receivable.

Please See Above

August 11, 2010

Wednesday

All Day

External auditor fieldwork. Audit areas this week include A-133, Student and Non-Student Receivables, Loans Receivable, Pledges Receivable and Grants Receivable.

Please See Above

August 12, 2010

Thursday

All Day

External auditor fieldwork. Audit areas this week include A-133, Student and Non-Student Receivables, Loans Receivable, Pledges Receivable and Grants Receivable.

Please See Above

August 13, 2010

Friday

12:00 AM - 12:00 AM

External auditor fieldwork. Audit areas this week include A-133, Student and Non-Student Receivables, Loans Receivable, Pledges Receivable and Grants Receivable.

Please See Above

10:00 AM - 10:30 AM

Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas.

August 16, 2010

Monday

12:00 AM - 12:00 AM

External audit fieldwork. Audit areas include A-133, AP, Leases Payable, Accrued Expenses and Deferred Revenue.

August 17, 2010

Tuesday

All Day

External audit fieldwork. Audit areas include A-133, AP, Leases Payable, Accrued Expenses and Deferred Revenue.

Please See Above

August 18, 2010

Wednesday

All Day

External audit fieldwork. Audit areas include A-133, AP, Leases Payable, Accrued Expenses and Deferred Revenue.

Please See Above

August 19, 2010

Thursday

All Day

External audit fieldwork. Audit areas include A-133, AP, Leases Payable, Accrued Expenses and Deferred Revenue.

Please See Above

August 20, 2010

Friday

12:00 AM - 12:00 AM

External audit fieldwork. Audit areas include A-133, AP, Leases Payable, Accrued Expenses and Deferred Revenue.

Please See Above

August 20, 2010 Continued

Friday

10:00 AM - 10:30 AM

Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas.

August 23, 2010

Monday

12:00 AM - 12:00 AM

External audit fieldwork. Audit areas include Fixed Assets, Payroll Liabilities, Compensated Absences and Other Long Term Liabilities.

August 24, 2010

Tuesday

All Day

External audit fieldwork. Audit areas include Fixed Assets, Payroll Liabilities, Compensated Absences and Other Long Term Liabilities.

Please See Above

August 25, 2010

Wednesday

All Day

External audit fieldwork. Audit areas include Fixed Assets, Payroll Liabilities, Compensated Absences and Other Long Term Liabilities.

Please See Above

August 26, 2010

Thursday

All Day

External audit fieldwork. Audit areas include Fixed Assets, Payroll Liabilities, Compensated Absences and Other Long Term Liabilities.

Please See Above

August 27, 2010

Friday

12:00 AM - 12:00 AM

External audit fieldwork. Audit areas include Fixed Assets, Payroll Liabilities, Compensated Absences and Other Long Term Liabilities.

Please See Above

10:00 AM - 10:30 AM

Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas.

August 30, 2010

Monday

12:00 AM - 12:00 AM

External audit fieldwork. Audit areas include Net assets, Revenue and Expenses.

8:00 AM - 8:30 AM

Accounting: Provide draft financial statements to external auditor.

August 31, 2010

Tuesday

All Day

External audit fieldwork. Audit areas include Net assets, Revenue and Expenses.
Please See Above

September 01, 2010

Wednesday

All Day

External audit fieldwork. Audit areas include Net assets, Revenue and Expenses.
Please See Above

September 02, 2010

Thursday

All Day

External audit fieldwork. Audit areas include Net assets, Revenue and Expenses.
Please See Above

10:00 AM - 10:30 AM

Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas

September 03, 2010

Friday

12:00 AM - 12:00 AM

External audit fieldwork. Audit areas include Net assets, Revenue and Expenses.
Please See Above

September 08, 2010

Wednesday

8:00 AM - 8:30 AM

Accounting: AFR's ready for external audit review.

September 10, 2010

Friday

10:00 AM - 10:30 AM

Audit status meeting with auditor representative and KCTCS staff involved in current and subsequent week audit areas.

September 15, 2010

Wednesday

8:00 AM - 8:30 AM

External auditor: Sign off on system-wide report, A-133 and AFR's

8:30 AM - 9:00 AM

Accounting: Provide individual college financial statements to external auditor.

September 20, 2010

Monday

8:00 AM - 8:30 AM

External auditor: Management comments, including A-133, are due from external auditors to KCTCS.

October 01, 2010

Friday

8:00 AM - 8:30 AM

External Auditors: FY2010 audit, A-133 and individual college financial statements signed off on for publishing.