

REQUEST FOR PROPOSALS (RFP)

For

**Forensic Audit of School District Policies and Procedures
related to Finance, Procurement and Conflict of Interest for
Lincoln ESD 156**

January 17, 2019

All questions regarding this RFP shall be directed to:

**Dr. Darryl Taylor, Superintendent of Schools
dtaylor@L156.org**

410 157th Street

Calumet City, Illinois, 60409

SECTION I: REQUEST FOR PROPOSALS (RFP) / PROJECT OVERVIEW

The Lincoln ESD 156 (herein referred to as “District”) seeks assistance in formulating the structure, components, scheduling and thorough review of the District’s policies and procedures related to finance, accounting, statutory compliance, procurement, and conflict of interest during the 2018 - 2019 school year (July 1 – June 30).

The District will at all times treat this as a highly confidential matter, subject to Board oversight through direct, exclusive management by its Superintendent. The review must be independent of the school district and conducted with prudence and discretion. The firm chosen for this work must be engaged by contract and must be independent of the District and any Board Member or employee of the District as well as all independent contractors, suppliers and vendors doing business with the District.

During the course of the review, all communications are subject to privilege and confidentiality and any and all reports are to be directed to the Superintendent of the District. A written report, either interim or final, will be required and that report will be issued to the Lincoln ESD 156 School Board. Presence at a public hearing regarding the results for the firm’s efforts will most likely be required.

The District expects to select and contract with one firm to provide either all or a selected group of the components described in this Request for Proposals (RFP). The District does not discriminate because of race, religion, color, sex, national origin, sexual orientation, marital status, age if the individual is 18 years of age or older, disability or any other factors protected by law.

The firms responding to this RFP (hereinafter referred to as “Proposer”) should be prepared to cooperate fully with the District, its Superintendent and Board of Education throughout the entire project.

SECTION II: SCOPE OF SERVICES

Based upon the issues involved in this matter, the District believes the review will require the assistance of a qualified forensic accountant and an integrated team of accountants to analyze the books and records and policies of the School District in all of the following areas:

- Investigation, research and answers relating to questions regarding compliance with generally accepted accounting principles (GAAP).
- Factual investigation, including interviews, and document review to determine that the District is in compliance with all guidelines and requirements pertaining to all aspects of financial management as set forth by any federal program requirements, the State of Illinois and Lincoln ESD 156 policies.

- Assistance in document and data collection, management, and repository services, as required.
- Assistance with policies and procedures as they pertain to all aspects of the conduct and management of the finances of the District, including but not limited to Financial Reporting, Conflict of Interest and Procurement.

The following outline comprehends but does not limit the type of procedures and review that would be most beneficial to the Board's considerations in authorizing this work:

I. Analyze School District contractual agreements as to:

- a. Procurement and bidding procedures
- b. Financing and payment history
- c. Management of contract
- d. Conflict of interest
- e. Other

II. Analyze detailed general ledger and account activity to include:

- a. Understand purpose of each account
- b. Analyze and investigate activity for certain accounts and transactions as deemed appropriate, including all school activity accounts.

III. Analyze school district documentation and payroll processes as deemed appropriate:

- a. Support for cash disbursement
- b. Support for journal entries
- c. Support for overpayment and/or underpayment, retirement, etc.
- d. Analyze and investigate all summer school payroll practices
- e. Other

IV. Conduct interviews, as necessary

- a. Accounting staff
- b. Non-accounting personnel as necessary
- c. Others

V. Prepare and present summary of findings.

The selected firm shall work with and cooperate with the Superintendent in rendering services pursuant to this RFP.

SECTION III: GENERAL INSTRUCTIONS

A. This RFP is issued under the authority of Lincoln ESD 156, Calumet City, Illinois 60409.

All inquiries concerning the intent of this RFP, contract information or site access shall be directed in writing to Dr. Darryl Taylor, Superintendent of Schools (708) 862-6625, Ext. 3, dtaylor@L156.org. The deadline to submit inquiries concerning this RFP shall be February 4, 2019.

A Proposer meeting will also be held on February 6, 2019 at 12 p.m. central daylight time in the conference room at Lincoln Elementary School located at 410 157th St., Calumet City, Illinois 60409.

B. This Request for Proposals consists of the following items:

Section I. Request for Proposals/Project Overview

Section II. Scope of Services

Section III. General Instructions

Section IV. Proposal Response

Section V. Evaluation

Section VI. Contract

Section VII. General Conditions

The RFP should be reviewed to ensure that all listed information is included.

1. If there are any deviations from the RFP requirements, please indicate the reason for such deviation in writing. An incomplete or uncoordinated submission will be judged as indicative of the Proposer's capability and professionalism.
2. A list of all solicited Proposers will be provided to any Proposer upon receipt of a written request, after the RFP process is complete.

C. PROPOSAL SUBMITTAL OPTIONS.

In order to be considered for purposes of evaluation and contract award, Proposers must use one of the following two options:

Option 1: Submit a sealed envelope clearly marked on the outside **Forensic Audit Services Proposal** with a data stick or CD containing a single pdf document of the complete proposal, including all other documents required to be submitted with the proposal.

Option 2: Submit a sealed envelope clearly marked on the outside **Forensic Audit Services Proposal** with four (4) copies of the complete proposal, including all other documents required to be submitted with the proposal.

Options 1 and 2 drop off at the following address/location:

Dr. Darryl Taylor, Superintendent of Schools

Lincoln ESD 156

410 157th Street

Calumet City, Illinois 60409

Proposals sent by fax or email will not be accepted. Proposals sent by mail or other mailing/courier services are not recommended as this may cause your proposal to miss the deadline noted below.

No responsibility or liability will be attached to any school district official, employee or agent for the premature opening or failure to open any proposal not marked according to this instruction or proposals sent by mail/courier service and received by the school district after the deadline..

D. SUBMITTAL DEADLINE.

Proposals must be received by **February 15, 2019 at 12:00 p.m. central** daylight time.

1. PROPOSAL OPENING.

The proposal opening will occur on February 15, 2019 at 12:00 p.m. central daylight time in the conference room located at Lincoln Elementary School at 410 157th St., Calumet City, IL 60409. Proposals received after this date and time and/or proposals which are not prepared and filed in substantial compliance with the terms and conditions of this RFP will not be considered for evaluation or award of a contract.

All proposals received in compliance with the instructions of this RFP will be reviewed by the Superintendent and the Board Secretary beginning February 25, 2019.

2. MODIFICATION OR WITHDRAWAL OF PROPOSAL.

A proposal may not be modified, withdrawn or canceled by the Proposer for 45 days following the submittal deadline mentioned above and Proposer so agrees in submitting its proposal.

Prior to the time and date designated for receipt of proposals, proposals submitted early may be modified or withdrawn only by notice to the District at the place designated for receipt of proposals. Such notice shall be in writing over the signature of Proposer, or by facsimile. If by facsimile, written confirmation over the signature of Proposer must have been mailed and postmarked on or before the date and time set for receipt of proposals.

Withdrawn proposals may be resubmitted up to the time designated for the receipt of proposals, provided that they are then fully in compliance with this RFP.

E. SUBMITTAL COSTS.

The cost of submittals and any other expenses related to this RFP including travel for interviews or inspections shall be entirely the responsibility of the Proposer.

SECTION IV: PROPOSAL RESPONSE

The submitted written proposal must utilize the following format and content detail. Proposals shall be prepared so that responses are specifically identified in the same order as the requested information identified below.

A. TITLE PAGE. (Mandatory)

The name and signature of the Proposer's authorized representative as well as his/her address and telephone number must be provided. The proposal must be dated on this page. The authorized representative is to signify the Proposer's agreement and compliance with all requirements set forth in the RFP. In addition, the signature will certify the Proposer's acceptance of and responsibility for the following (**note that the following language must be reproduced above Proposer's signature**):

1. All data presented in the proposal is accurate and complete.
2. Acknowledgment that the Proposer has read and understood the RFP and the proposal is made in accordance with the contents of the RFP unless otherwise noted in the proposal.
3. The proposal shall be valid for 45 days following submittal deadline mentioned above.
4. The cost of submittals and any related expenses, including travel for interviews or inspections, shall be entirely the responsibility of the Proposer.
5. The discovery of any significant inaccuracy in information submitted by the Proposer shall constitute good and sufficient cause for rejection of the proposal.

B. PROPOSED SERVICES (20 points) and RETURN ON INVESTMENT and COST OF PROPOSED SERVICES (20 points)

For each area of service identified in the Scope of Services, provide

1. Description of the services proposed including work and/or inputs required by the District.
2. Staff, routine deadlines for bi-weekly, quarterly and annual processes.
3. Address how your services map to the outsourcing goals of efficiency, accuracy, risk reduction and flexibility.
4. Cost of service and pricing information (note any alternate or grouped service pricing).
5. Evaluation of return on investment (ROI) for each category in terms of staffing time and/or other cost savings the school district would see by contracting with your firm.

Give specific examples of how your services have resulted in a financial savings for your clients. State how your firm would propose to be compensated for providing the different areas of services described in the scope of services. Provide estimate of any one-time conversion or start up costs associated with implementing the proposed services.

If your company does not provide a specific service described in the RFP, simply note that service is not offered.

C. STATEMENT OF QUALIFICATIONS and EXPERIENCE. (15 points)

Provide a brief explanation of why your firm is qualified to provide payroll processing and ancillary services to the District. Describe the experience of your firm in providing payroll processing and ancillary services for public and private sector clients.

D. STAFFING. (10 points)

Identify the specific personnel who will be assigned to provide services pursuant to this RFP. For each of these persons, please provide a resume as an exhibit.

E. LOCAL (5points)

Identify state of your company incorporation and the city(ies) in Illinois where staff are located. State if company is minority or women-owned.

F. SAMPLE REPORTS, DATA SETS and TECHNOLOGY (10 points)

Provide samples of the kind of reports you would be preparing for the school district and data sets available to same if selected to provide payroll processing and ancillary services.

Describe format and availability options (web based, self service, file format, etc.) for reports and data sets.

Provide information on your data security as well as software and hardware requirements for the school district.

G. RESPONSE SERVICE. (10 points)

Explain how your firm will be able to provide the immediacy of response and personal quality of service needed for a small, general-purpose local government.

H. CLIENTS/REFERENCES. (5 points)

Provide a list of clients for whom you have provided payroll and human resources services during the past three years. Include names and telephone numbers of at least three references with the types of services noted; ideally the references are public sector organizations with at least one a member of the Teachers Retirement System.

I. AVAILABLE OPTIONAL SERVICES. (5 points)

Describe the associated services your firm will be able to offer the District to assist it in maximizing the use of scarce school district resources, both direct cost and staff time, that are directed towards payroll and benefits processing as well as data-intensive human resources processes. Pricing models and estimates for these additional services shall be provided.

J. STATEMENT OF ASSURANCE. (Mandatory)

Provide a statement of assurance that your firm is not currently in violation of any regulatory agency rules, or, if in violation, the violation does not have a material adverse effect on your ability to bid on this RFP or perform under the proposed contract.

K. INSURANCE. (Mandatory)

Certify that your firm will purchase and maintain for the duration of the contract the following levels of insurance: (1) \$1,000,000 in commercial general liability; and (2) \$1,000,000 errors and omissions.

L. INTERVIEWS.

Interviews may be conducted with the companies presenting proposals with the highest scores. Interviews will be scored based on information presented during interviews, and overall quality of the service proposed.

SECTION V: EVALUATION AND SELECTION

Proposals will be evaluated based on the quality of responses to specific items outlined in the PROPOSAL RESPONSE section of this RFP. Each valid proposal will be reviewed by the Superintendent. Additional clarifying material may be requested by the District. The Superintendent will develop a shortlist of firms, but may or may not interview the

firms. Proposals that are incomplete or non-responsive to this RFP may be rejected. The District does not accept responsibility for the return of successful or unsuccessful proposals.

The District reserves the right in its sole discretion to:

- a.1. Obtain clarifications and additional information, if any, will be posted as addendums on the Lincoln ESD 156 website at <http://www.L156.org>. It is the responsibility of the prospective bidders to check the website for updates.
- a.2. Reject any proposal not in compliance with all prescribed RFP procedures and requirements.
- a.3. Reject any or all proposals upon a finding it is in the public interest to do so.
- a.4. Waive technicalities or irregularities in the proposals received.
- a.5. Accept all or any part of a proposal in principle subject to negotiation of the final details. In particular, the school district reserves the right to negotiate fee proposals.

Issuance of this RFP or submittal of a proposal does not create any obligation on the part of the District to enter into any agreement or undertake any financial obligations with respect to the services requested in this RFP.

SECTION VI: CONTRACT

The selected firm will be required to sign a Contract, which will be prepared by the selected firm, and approved by the Lincoln ESD 156 Board of Education.

SECTION VII: GENERAL CONDITIONS

1. The District and the Proposer agree that in the event of a dispute, each party will bear its own costs of litigation and attorneys' fees.
2. The Proposer shall indemnify and hold harmless the Board and its individual board members, officers, employees, agents, volunteers, successors, and assigns ("Indemnitees"), from any and all costs, damages, losses, judgments, liabilities and expenses (including reasonable attorneys' fees and litigation costs) (collectively, "Claims") brought against or incurred by the Indemnitees arising out of, in connection with, or related to (1) any acts or omissions of the Proposer and its officers, subcontractors, employees and agents; and (2) any breach of the Contract.
3. As required by the Criminal Code, 720 ILCS § 5/33E-11, by submitting a proposal, the Proposer certifies that it is not barred from contracting with any unit of State of Local Government as a result of a violation of any criminal statute including, but not limited to, the bid-rigging (Section 33E-3) or bid rotating (Section 33E-4) provisions of the Criminal Code. The Proposer agrees that if this certification is false, the Board

may declare the Contract void. The Proposer further certifies that it will provide a drug-free workplace as required by the Illinois Drug-Free Workplace Act, 30 ILCS §§ 580/1 et seq. If applicable, the Proposer shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act, 35 §§ ILCS 105/1 et seq., regardless of whether the Proposer is a retailer maintaining a place of business within this State” as defined in Section 2 of the Use Tax Act.

4. The Contract referenced in Section VI of this RFP shall incorporate the terms and conditions set forth in this RFP by reference.
5. In the event the Proposer is awarded the services requested in this RFP, the Proposer agrees it will not assign, transfer, or sublet the any rights or privileges which may accrue under the terms of the Contract or any money which may become due thereunder, unless specific written permission to do so is granted by the District.
6. The Proposer shall at all times observe and comply with all applicable laws, rules, ordinances and regulations, including, but not limited to, the Illinois Human Rights Act (775 ILCS §5/1 et seq.), the Illinois Prevailing Wage Act (820 ILCS 130/1 et seq.), the Equal Employment Opportunity Act (42 U.S.C. § 2000e), and the Illinois Criminal Code (720 ILCS 5/1 et seq.), and obtain all necessary licenses and approvals in performing under this RFP. Further, the Proposer must comply with all licensing provisions, employee criminal background checks, state and federal disability and other non-discriminatory and accessibility requirements including the Americans With Disabilities Act, state and federal laws prohibiting smoking and consuming alcohol on school property, and state laws prohibiting the presence of sex offenders on school district property. The Proposer shall comply with the requirements of the Illinois Human Rights Act (775 ILCS 5/1 et seq.), including but not limited to the adoption of sexual harassment policies and procedures. The Proposer represents and warrants to the District that none of its employees or any of the employees of its agents or contractors that provide any services on the Schools have been convicted of crimes that would prohibit their presence on public school property.