

Request for Proposals

Carlow University invites qualified firms to submit proposals for:

Financial Audit Services
Request for Proposals

All proposals must be submitted to:

Carlow University
Procurement Department
3333 Fifth Ave
Pittsburgh, PA 15213

by no later than Wednesday, August 29, 2019 by 3:00PM EST

Proposals that arrive after the date and time for submission will be rejected.

Companies are encouraged to respond even if they do not wish to submit a response. A “No offer” is considered a response (*see* Section VII).

Carlow reserves the right to accept or reject any or all proposals, in whole or in part, to waive informalities or technicalities, to clarify ambiguities, and to award items or groups of items as may be in the best interest of Carlow.

/s/ Heather Farah
Heather Farah
Procurement Specialist

Monday, July 29, 2019
Issue Date

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I. PLANNING REQUIREMENTS

A. Purpose

Carlow University (“Carlow”, the “University”) and its members of the Enterprise Risk Management and Audit Committee of the Board of Trustees are charged with the review of proposals and selection of a qualified firm to provide Professional Services, specifically:

- Basic audit engagements designed and executed in connection with auditing standards generally accepted in the United States:
 - perform the independent audit of the financial statements of Carlow University beginning with the fiscal year ended June 30, 2020, 2021, and 2022;
 - complete the Single Audit in accordance with OMB Circular A-133 for the same periods;
 - audit the statement of Institutional Assistance Grant revenues, expenditures and changes in net assets of the University for the same periods;
 - perform a limited-scope audit of the financial statements of Carlow University’s Defined Contribution Plan at December 31, 2019, 2020, and 2021; and
 - complete an audit of Carlow’s IT General Controls on an annual basis
- Preparation services
 - Form 990;
 - BCO-10; and
 - Form 5500
- Provide routine consultation to the University and its Board of Trustees regarding industry-relevant topics, such as trends, risks, and opportunities.
- Present opportunities for additional services and resources that would benefit Carlow University including, but not limited to, free professional education, online content and subscription services.

B. Key Dates

Important dates including proposal deadlines are shown below. Dates indicated are tentative and may be changed during the RFP process due to revision of any part of the RFP because of questions from respondents and/or additional information requested after the proposal opening. A formal addendum to this RFP will be issued to the respondents notifying of any changes to these dates.

<u>Event</u>	<u>Date</u>
Issue Date	Monday, July 29, 2019
Deadline for Questions	Monday, August 12, 2019 by noon
Response to Questions	Friday, August 16, 2019
Notification of Intent to Submit Proposal	Friday, August 16, 2019
Deadline for Proposal Submission	Wednesday, August 29, 2019 by 3PM
Interviews	Month of September
Award of Contract	November 11, 2019
Services Commence	January 1, 2020

C. Proposal Submission Content

Proposals must include all information required by the following sections (See *Section IV, Format for Proposals*):

- a. Cover Letter
- b. Respondent Qualifications
- c. Respondent History
- d. Audit Plan
- e. Project Costs (**sealed separately**)
- f. References

II. REQUEST FOR PROPOSAL

A. Introduction

Overview

Carlow University is a private, co-educational, Catholic university located in the heart of Pittsburgh's "Tech, Eds, and Meds" district. Founded by the Sisters of Mercy, the University's graduates, curriculum, and partnerships reflect its strong commitment to social justice; ethical, forward-thinking and responsible leadership; and service to the community that has a meaningful impact. Undergraduate and graduate degrees are offered in three major areas: Health and Wellness, Leadership and Social Change, and Innovation and Learning. The University graduates are in demand for their professional expertise, in fields ranging from nursing and the sciences to counseling, education, and project management; their entrepreneurial spirit and creative mindset; and their ability to manage change.

For more information: https://www.carlow.edu/Vision_Mission_Values_Philosophy.aspx

Governance

Carlow University is governed by an independent Board of Trustees of not less than 10 but no more than 50 Trustees and shall be classified as either ex-officio or elected Trustees. The Board elects a Chair, Vice Chair, Board Secretary, and Board Treasurer. The Executive Committee of the Board consists of the Chair of the Board and the other elected Board Officers, the Chair of each Standing Committee, and the President of the University; provided that at all times at least two members of the Executive Committee shall be Sisters of Mercy. Carlow is administered on a day-to-day basis by the President and Vice Presidents.

For more information: <https://www.carlow.edu/Administration.aspx>

Academic Profile

Carlow University is accredited by the Middle States Commission on Higher Education. Program offerings include over 50 undergraduate programs, over 20 graduate and post-baccalaureate programs, and two doctorate programs. Additionally, Carlow offers several accelerated baccalaureate degree programs through the Adult Degree Center. Designed for the working professional, adult students have the option of taking classes in several flexible formats.

FULL-TIME EQUIVALENT ("FTE")	2018-19	2017-18	2016-17	2015-16	2014-15
Undergraduate FTE	1,158	1,172	1,202	1,013	981
Graduate (FTE)	606	632	716	873	856
Total FTE	1,764	1,804	1,918	1,886	1,837

For more information: <https://www.carlow.edu/Academics.aspx>

Operations

Carlow University has a fiscal year 2020 annual operating budget of approximately \$45 million, a capital budget of approximately \$3 million and approximately \$30 million of endowed funds. Historical financial statements will be distributed to all qualified candidates.

B. Scope of Work - Request for Professional Services Proposal

1. Audit Services.

Carlow University requests proposals for the audit and certification of the following:

- a) University financial statements for the fiscal years ended June 30, 2020, 2021 and 2022. The report shall be submitted no later than October 15 following the close of the fiscal year under audit.
- b) Federal financial assistance and related compliance and internal control reports as required by OMB Circular A-133 for the fiscal years ended June 30, 2020, 2021, and 2022. The report shall be submitted no later than October 15 following the close of the fiscal year under audit.
- c) University's statement of Institutional Assistance Grant revenues, expenditures, and changes in net assets for the fiscal years ended June 30, 2020, 2021, and 2022. The report shall be submitted no later than October 15 following the close of the fiscal year under audit.
- d) Assessment of Carlow University's IT environment and general controls for the fiscal years ended June 30, 2020, 2021, and 2022. The report shall be submitted no later than October 15 following the close of the fiscal year under audit. For purposes of this RFP, the University use of the term "assessment" contemplates controls over:
 - physical security and environmental threats;
 - access management over infrastructure, applications, and data;
 - program change management;
 - system and data backup and recovery management;
 - computer operation; and
 - system development life cycle
- e) Limited-scope audit of the financial statements of Carlow University's Defined Contribution Plan at December 31, 2019, 2020, and 2021. The report shall be submitted to the University no later than August 31 following the close of the most recent Plan year.

In addition to the certification of the above deliverables, a management letter related to Carlow's internal controls and management systems should be prepared for the Board of Trustees' Enterprise Risk Management and Audit Committee annually by the same dates indicated above.

2. Preparation Services.

Carlow University requests proposals for the preparation of the following:

- a) Form 990 return for Carlow University. The report shall be submitted to Carlow's Enterprise Risk Management and Audit Committee no later than January 31 following the close of the recent fiscal year.
- b) Pennsylvania Charitable Organization Registration Statement (BCO-10). The annual renewal must be refiled no later than May 15th following the close of the recent fiscal year.
- c) Annual return/report of Employee Benefit Plan (Form 5500). The report shall be completed no later than August 31 following the close of the most recent Plan year.

3. Other Professional Services.

Carlow University requests that respondent also provide:

- a) Sample presentation materials given in connection with routine consultation to any other similarly situated university and its Board of Trustees regarding industry-relevant topics, such as trends, risks, and opportunities.
- b) A presentation of opportunities for additional services and resources that would benefit Carlow University including, but not limited to, free professional education, online content and subscription services.

Additional Information

Baker Tilly Virchow Krause, LLP has served as the University’s external auditors since 2015. The decision to open the contracting process to other possible bidders for engagement should be viewed in the general University policy context of periodic reviews of important relationships.

Carlow utilizes Ellucian Colleague software. Carlow prepares the draft statements and supporting schedules for the university, as well as the footnotes and financial statement analysis for the audit.

C. Deadline and Requirements for Proposal

Eight (8) copies of the proposal must be received at the following address before 3:00 pm on Wednesday, August 29, 2019. All submissions must be addressed to:

Carlow University
Procurement Department
3333 Fifth Ave
Pittsburgh, PA 15213

- 1. Proposals must include (in addition to the information in Section IV)
 - a. The estimate of personnel hours required, by level of personnel (partners, managers, and staff), for each of the three fiscal years, and for each deliverable identified in Section B.

Deliverables	Partner Hours	Manager Hours	Staff Hours	Clerical/other Hours	Total Hours
University's Financial Statements					
Single Audit as required by Circular A-133					
IAG Audit report					
ITGC Audit					
Defined Contribution Plan Audit					
Form 990 Return					
BCO-10					
Form 5500					
Total Hours					

- b. A timetable for fiscal year 2020 that will enable the respondent to meet the deadlines specified in Section B.

- c. Other services, if any, that the University may assume the respondent will provide at no extra charge to the University during the duration of the audit contract.
- d. The total cost for performing the audits for each of the three fiscal years, and proposed fees for each deliverable above, including presentation of the management letter to the Enterprise Risk Management and Audit Committee.
- e. A schedule of hourly rates to be charged in the event a change order or request for additional audit or consulting services is issued during the period under contract.

2. The Auditor's Report

Upon completion of any and all draft reports, the firm will conduct a conference with the Vice President of Finance & Administrative Services and others directly impacted by the recommendations to review the firm's findings, conclusions, and recommendations. The final reports must be reviewed by the Vice President of Finance & Administrative Services before issuance. After issuance of the final reports, the firm will conduct an exit conference with the Chair of the Enterprise Risk Management and Audit Committee, usually in October of each year.

Ten (10) copies of the University's final reports must be delivered to the Business Office by the dates to be specified in the audit contract. Deadlines may be amended only with the written consent of the University's Vice President of Finance & Administrative Services. Electronic copies (PDF file) of these final reports must also be provided to the University.

3. Working Papers

All papers and work products are deemed to be University property and all aspects of the engagement are to be held in the strictest confidence. The working papers will be available for examination by authorized representatives of appropriate government agencies and of the University.

4. Sufficiency of the Audit

All audit work is to be performed in accordance with the generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA) and, where applicable, in accordance with generally accepted governmental auditing standards.

5. Fiscal Arrangements

The University is not liable for any costs incurred by contractors prior to issuance of a contract. Up to 75 percent of the agreed upon fee for the then current year may be billed monthly based on progress of work. The remaining 25 percent of the fee will be paid after timely and proper completion of all deliverables.

D. RFP Clarification

Respondents may request an explanation of the intent or content of this RFP and clarification of procedures used for this procurement. No interpretation made to any respondent as to the meaning of the RFP shall be binding on the University unless repeated in writing and distributed as an addendum by the University's Procurement Office.

Email questions must be directed to procurement@carlow.edu. Such requests must be received no later than August 12, 2019 by noon. The University will globally publish responses by August 16, 2019.

Failure of the respondent to make appropriate inquiries, evaluate any special conditions, or verify requirements of this RFP shall not relieve the firm of responsibility for fulfilling the contract in accordance with the terms of this RFP.

Oral communication with any University employee, unit, department, or organization concerning this RFP is not binding on the University and shall in no way modify the RFP or the obligation of the University or firm.

E. Addenda to the RFP

In the event that it becomes necessary to revise any part of this RFP, Carlow's Procurement Office will provide addenda in writing to the respondents who indicate that they are interested by returning the acknowledgement and intent to bid page of this document (page 12). No oral statements, explanations, or commitments by whosoever made shall be of any effect except as the University's Procurement Office has confirmed the same in writing.

F. Acceptance of Proposals

The University reserves the right in awarding the contract to consider the competency, responsibility, and suitability of the respondent, as well as the services to be provided. The University further reserves the right to accept or reject any or all proposals, to waive any irregularities or informalities, and to award the contract in the best interest of the University. Neither the University nor any agent thereof on behalf of the University will be obligated in any way by any respondent's response to this RFP.

The University also reserves the right to allow a respondent to correct a defect in its Bid provided that correction of the defect does not alter the amount of the Bid or the scope of work required under the Bid.

III. PROPOSAL SUBMISSION

Any term or condition stated in this RFP document shall be considered accepted by the respondent unless specifically objected to by the respondent. The University may accept or reject respondent's alternative terms to this RFP. A proposal may be rejected if it is incomplete or conditional.

To receive consideration, proposals shall be made in agreement with the instructions as stated in this RFP, and such proposals and awards made therein shall be subject to all of the terms and conditions hereof:

A. Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the respondent's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.

B. Incurred Cost

The University is not liable for any costs incurred by the respondent in the preparation and presentation of their proposals.

C. Signatories

The signature of all persons authenticating the proposal shall be printed and signed in a designated area on page one (1) of the master copy submitted to the University. The signature page must be executed by the person or persons required and authorized to legally bind the firm to the proposal and must specifically state that the firm shall complete all services set forth in the proposal within the proposed time limits to the satisfaction of the University.

D. Proposal Deadline

Eight (8) copies of the proposal must be received at the following address before 3:00 pm on Wednesday, August 29, 2019. All submissions must be addressed to:

Carlow University
Procurement Department
3333 Fifth Ave
Pittsburgh, PA 15213

All proposals must be clearly marked with the name of the proposal and labeled “Proposal RFP Financial Audit Services.” One (1) of the copies is to be marked “Master Copy” and will contain original signatures. The remaining copies do not require original signatures. No cost information is to be contained in the general proposal.

In a separate, sealed envelope please submit the proposal costs as outlined in Section IV.E.

Allow time for normal mail delivery to ensure timely receipt of proposals by Carlow’s Procurement Office. Proposals arriving after the deadline will not be considered. All proposals become the property of the University.

IV. FORMAT FOR PROPOSAL

The proposal must be clear and concise. Use a table of contents for ease in finding necessary information. The title page accompanying the proposal shall be signed by the person or persons required and authorized to legally bind the firm to the proposal and shall specifically state that the firm shall complete all services set forth in the proposal within the proposed time limits to the satisfaction of the University. Proposal shall be on 8 ½ x 11 paper only.

A. Cover Letter

The cover letter shall contain a brief introduction of the auditor and the proposal. The letter shall be concise and need not repeat any of the detailed information set forth in the proposal; however, any terms or conditions of this RFP to which the respondent objects and/or does not accept shall be clearly stated in the cover letter along with any alternatives or further explanation. At a minimum, the cover letter page shall be on company letterhead and shall include the name and working address of the firm submitting the proposal, the name and telephone number of the primary company representative to be contacted with reference to the proposal, and the date of submission.

B. Firm Qualifications

Each proposal must contain a description of the firm's qualifications to perform the services specified in this RFP. The firm should have experience with i) private universities, ii) OMB Circular A-133 audits, and iii) Defined Contribution Plans. The University reserves all rights as to the evaluation of any and all responses to the general proposal submitted by each respondent and to the University's determination of the firm's qualifications. In addition, describe the firm's ability to provide needed technical and management consulting services; and firm's willingness to provide non-chargeable client services.

Firm must state any and all potential professional conflicts of interest with Carlow University. In the event a conflict or potential conflict arises during the course of this RFP, the firm must immediately notify the University's Procurement Office.

C. Firm History

Each proposal must include a brief (two page) profile demonstrating an established, successful track record of past performance in providing services closely related to the requirements specified in this RFP. Explain the firm's management structure, number of years in business, and history of the firm. The University will consider various aspects that touch upon the institution's Mercy values. Any respondents with formal M/W/DBE certification should submit a copy of their certificate with the proposal.

D. Audit Plan

Each proposal must include a work plan that includes a list of specific tasks, timeline for their completion, and expected outcomes. The plan should identify firm's staff who will be involved in executing the plan. All milestones should be indicated for activities and tasks. It is assumed that the project will include routine updates to identified University personnel. The project plan should explain any processes for communicating progress and processes for resolving any misunderstandings about project deliverables. The project plan should include a general outline of the final document that will be reviewed with and presented to University personnel at the end of the project. It is assumed that there will be a mutually agreed upon, final document outline developed during the project that will be the basis for the final report.

Provide an organizational/staffing chart, for each deliverable the firm is providing a proposal for. Include a brief professional profile for each partner and manager (by discipline) highlighting relevant experience. List only those individuals who will be assigned to the project.

Additionally, each proposal should provide information covering the following:

- Adequate commitment of partner time to audit
- Firms willingness to commit to staff and management continuity
- Firm's commitment to higher education financial administration

- Adequacy of firm’s approach to auditing integrated computer application systems
- Adequacy of firm’s approach to assessing control risk
- Feasibility and probable effectiveness of firm’s approach to cost containment\

E. Project Cost

An itemized fee breakdown by task for all attestation and consultative costs must be provided as part of the proposal. The total cost is to be proposed as a “not to exceed” amount. The total all-inclusive price range is to contain all hourly billable costs and out-of-pocket expenses.

F. References

Respondent is to provide three (3) references with their proposal. All references should include a detailed description of services performed, dates performed and contact information (name, title, email, and phone).

V. EVALUATION

A. Proposal Process

1. The evaluation will be based on the evaluation factors set forth in this RFP.
2. For the purpose of conducting discussions, proposals shall be initially classified as:
 - a. responsive; or
 - b. non-responsive
3. Discussions may be held with one or more respondents to:
 - a. Promote understanding of the University’s requirements and the respondent proposals;
 - b. Facilitate arriving at a contract that will be most advantageous to the University taking into consideration all factors set forth in the RFPs;
 - c. Discussions may include oral presentations, interviews, demonstrations, responses to specific questions, modifications, and negotiations. Respondents shall not be informed of their rank at the time of discussions. The University reserves the right to visit and inspect other sites of the potential respondents;
 - d. Respondents must be prepared to send qualified personnel to discuss technical and contractual aspects of the proposal;
 - e. The University reserves the right to approach any respondent with a “final and best” offer. One or more respondents may be provided an opportunity to submit a “best and final” offer.
4. References and the credit and financial responsibility of the proposals may be verified as appropriate.

B. Evaluation Criteria

All proposals must meet or exceed mandatory requirements outlined in this RFP in order to be reviewed. Those proposals meeting the minimum mandatory requirements will be considered based upon a point scoring evaluation system described in this section.

Information and data for scoring will come from information supplied with the respondent’s proposal and from the three references provided, coupled with any clarification information requested by the University. Points will be tallied for four areas: *Firm Qualifications*, *Audit Plan*, *Interviews* and *Total Cost* of the proposal. The maximum possible points for the combined areas will be 100 points.

VI. AWARD

The University will review all proposals. The University reserves the right to cancel the selection process or the negotiations when a selection is made or at anytime prior to entering into a formal written agreement with the firm.

The University intends to execute a contract with the firm submitting the proposal which the University determines to best meet the University's requirements. The University will be the sole judge of the acceptance of any and all proposals.

In awarding the contract, the University may take the following into consideration: the references, experience, responsibility, reputation, financial standing of the respondent, and the ability of the firm to provide an advantageous time schedule for providing service. The inability of any respondent to meet the requirements may be cause for rejection of the proposal. The University reserves the right to entertain post-submittal feedback.

After selection approval by the Chair of the Enterprise Risk Management and Audit Committee, the Procurement Office will generate an agreement to be prepared for signatures by both parties. The decision of the award will be communicated in writing to all respondents and is final.

VII. NOTIFICATION OF INTENT TO SUBMIT PROPOSAL

If you are interested in submitting a Proposal, please fill out the information requested below and email this form to Procurement Services – Carlow University procurement@carlow.edu no later than Friday, August 16, 2019.

Name of Organization _____

Mailing Address _____

Representative's Name _____

Representative's Title _____

Email Address: _____

Phone Number _____

FAX Number _____

We intend on doing the following: (check one)

1. () We will submit a Proposal
2. () We will NOT submit a Proposal

If number 2 is checked, please give a brief explanation in the spaces provided.

Signed: _____ Date: _____