

## **Response to the Solicitation for Proposal (SFP)**

In order to simplify the review process and to obtain the maximum degree of comparability, proposals must be organized and submitted in strict accordance with the following format. The legislative auditor reserves the right to refuse to consider proposals that are not submitted in this format.

### **Cover Page**

The cover page should be titled PROPOSAL FOR THE (include the name of the state agency). The following information should be included under the title:

1. Name of the proposer's firm
2. Proposer's address
3. Proposer's telephone number
4. Proposer's federal tax identification number
5. Name of contact person authorized to act on behalf of the firm
6. Email address for the contact person
7. State agency solicitation number
8. Type of engagement
9. Contract period

### **Introduction**

The transmittal letter or introduction should:

1. Include a list of firms participating in the engagement and include the percentage of work performed by each firm (the confirmations in the Introduction section and all of the information in the Professional Capacity of Firm section should be completed and included in the proposal for all participating firms).
2. Contain a brief statement of the proposer's understanding of the scope of the work to be performed.
3. Include a confirmation that the proposer meets the appropriate state licensing requirements to practice public accounting in the State of Louisiana.
4. Include a confirmation that the proposer meets the applicable independence standards relating to the state agency.
5. Include a confirmation that the proposer has not had a record of substandard audit work within the past five years.
6. Include a confirmation that the proposer has not engaged in any unethical practices within the past five years.
7. Include a confirmation that the proposer has complied with applicable requirements for peer review and continuing professional education.
8. Include, if applicable, a certification that the proposer is a minority or disadvantaged firm or is submitting the proposal under an agreement with a minority or disadvantaged firm to jointly conduct the engagement. (Definitions of minority and disadvantaged firms are included within the "Solicitation for Proposal".)

9. Include a confirmation that the proposer shall not discriminate on the basis of race, color, religion, sex, national origin, veteran status, political affiliation, disability, sexual orientation, or any other non-merit factor in matters relating to employment.
10. Include a confirmation that the proposer has procured appropriate professional liability insurance; and if awarded the contract, will maintain this insurance in full force and effect during the term of the contract; and will provide a true and correct copy of the required policy, together with all endorsements, riders or other additions or attachments to the policy which in any manner limit or restrict coverage to the legislative auditor within ten days of the date of execution of the contract.
11. Include any other information that the proposer feels appropriate.
12. Be signed by an individual who is authorized to make proposals of this nature in the name of the firm submitting the proposal.

**Firm Description**

Give a brief description of the proposing firm, detailing firm capacity, number and location of offices, et cetera, and if applicable, include a similar description of the office performing the engagement.

**Professional Capacity of Firm**

1. Using the format specified below, provide data on the make-up of the professional **audit** staff of the office performing the engagement:

<u>Category</u>	<u>Total Number</u>	<u>Number of CPAs</u>	<u>Percentage of CPAs</u>
Partners	_____	_____	_____
Managers	_____	_____	_____
Supervisors	_____	_____	_____
Seniors	_____	_____	_____
Other Audit Staff	_____	_____	_____
Total Professional Audit Staff	=====	=====	=====

2. List audit, review/attestation, and/or agreed-upon procedures engagements of **governmental entities** located in Louisiana that have been **completed** over the **past three years** by the proposing firm. The list should be classified by type of engagement (audit, review/attestation, or agreed-upon procedures). Denote which of the engagements listed are similar to the agency soliciting proposals. The proposing firm should explain why an engagement of an agency is similar to the one for which a proposal is submitted, unless the similarity is clear. For example, an audit of a city is not clearly similar to an audit of a port commission; however, the city operations may include a port and such should be clearly explained in the proposal. Please use the following format for each type of engagement.

<u>Governmental Unit</u>	<u>Period Ended</u>	<u>Name &amp; Phone Number of Agency Contact Person</u>
_____	_____	_____

3. Identify the professional organizations to which the firm belongs.
4. Indicate whether the firm is a local, regional, national, or international firm.

5. Provide a statement as to whether or not any disciplinary action has been taken against the proposing firm's Louisiana based operations, in the past five years, by the American Institute of Certified Public Accountants and/or any state board of accountancy, state or federal grantor, state auditor, state society of certified public accountants, or any other regulatory body. If action has been undertaken, discuss its current status and provide appropriate details of the circumstances.
6. State whether, during the past 10 years, any partner, owner, manager, or principal officer (including any staff members being proposed for the engagement) of the proposing firm's Louisiana based operations has been convicted of a felony; has pleaded nolo contendere to a felony charge; has been held liable in a civil action by final judgment involving a violation of any federal, state, or local law relating to the performance of a service contract; has settled a claim of nonperformance asserted by a proposing firm's client; or has settled a claim relating to a service contract asserted by a regulatory body. If any such action has occurred, the proposing firm shall set forth the name of the person convicted or against whom a judgment or settlement was entered; the court or other forum and date of conviction, judgment, or settlement; the penalty or damages assessed in connection therewith and/or the terms of settlement. If no such actions have occurred, the proposing firm shall include a statement to that effect.
7. State whether any partner, owner, manager, or principal officer (including any staff members being proposed for the engagement) of the proposing firm's Louisiana based operations is subject to any currently effective injunctive or restrictive order or decree relating to the performance of a service contract. If any such action has occurred, the proposing firm shall set forth the name of the person; the parties involved and the court; a summary of the allegations or facts found by the court; and the date, nature, terms and conditions of the order or decree. If no such actions have occurred, the proposing firm shall include a statement to that effect.
8. Describe the services that the proposing firm has provided or is providing to the state agency being proposed upon over the past three years, or state that no such services were provided. The description should include the time frame during which the services were provided and the related compensation received.
9. Describe any political activity, over the past three years, by the proposing firm and/or its partners, in any campaign for public office by any member of management or of the board/commission of the agency being proposed upon, or include a statement that neither the firm nor its partners have been involved in such political activity. Such political activity includes, but is not limited to, monetary contributions; serving as a member of a campaign or fund raising team (president, treasurer, et cetera); and publishing or signing campaign literature.

### **Engagement Team**

Identify the supervisory personnel who will be assigned to the engagement. Résumés for each partner, manager, supervisor, and senior must be included. The résumés must include the specific governmental engagements that he/she has participated in as well as the position he/she served on the engagement team. In addition, using the format below, the résumés must identify the continuing education courses, and the related credit hours, relative to governmental accounting and auditing that he/she has attended during both the current and the prior (separately identified) reporting periods as defined by *Government Auditing Standards*. We acknowledge that reporting periods may differ based on when he/she began his/her governmental practice; however, two reporting periods should be provided.

	Course Name	Credit Hours
Two years ending December 31, 2010	_____	_____
Two years ended December 31, 2008	_____	_____

**Contract Period and Timeliness**

The proposal should specifically identify the contract period and the separate engagements required. For example, "... we are proposing on the contract period ending June 30, 2010, which includes separate audits as of and for each of the years ending December 31, 2007; December 31, 2008; and December 31, 2009."

The proposal should specify, for each engagement, the date of the start of field work, the field work completion date, and the date that the reports will be completed and transmitted to the legislative auditor.

**Engagement Approach**

1. Clearly describe the scope of the engagement and how it will be conducted for both financial and compliance aspects. The engagement approach should be described in sufficient detail to demonstrate an understanding of the state agency and its specific accounts, activities, and operations.
2. Describe the approach that will be taken for the subsequent period(s).

**Special State Agency Requirements**

Identify any special requirements of the state agency soliciting proposals.

**Agency Assistance**

1. The proposal should discuss the planned use of any state agency personnel to assist in technical aspects of the engagement, or include a statement that none will be required.
2. The proposal should list any required non-technical agency assistance anticipated during the engagement, or include a statement that none will be required.

**Nature of Services**

The proposal should include the nature of services that will be provided (refer to the "Solicitation for Proposal", Nature of Services Required section).

**Reports**

The proposal should identify and describe the content of the individual reports that will be issued during the contract period (refer to the "Solicitation for Proposal", Report Requirements section).

**Required Disclosures**

The proposal should state that the report will include all of the required disclosures listed in the Required Disclosures section referred to in the "Solicitation for Proposal".

**Report Distribution**

The proposal should state the appropriate distribution of the reports (refer to the "Solicitation for Proposal", Report Distribution section).

### Engagement Documentation

The proposal should state the engagement documentation retention period, the availability for review, and the cost of copies as mentioned in the "Solicitation for Proposal", Engagement Documentation section.

### Special Conditions

The proposal should include all special conditions mentioned in the Special Conditions section of the "Solicitation for Proposal".

### Compensation

1. The proposed fee must be placed in a sealed envelope (pricing envelope), which includes the solicitation number, the name of the proposer's firm, and the state agency name. The pricing envelope is to be sealed and stapled to the inside back cover of the proposal.
2. The proposed fee shall state the total all-inclusive maximum fee, including out-of-pocket expenses, for which the proposing firm plans to perform the engagement for each of the individual periods in the contract period. The pricing information must be presented in the following format:

#### For each engagement period:

<u>Staff Classification</u>	<u>Hours Assigned</u>	<u>Hourly Rate</u>	<u>Totals</u>
_____	XXX	\$XXX	\$XXX
_____	XXX	\$XXX	\$XXX
_____	XXX	\$XXX	\$XXX
_____	<u>XXX</u>	\$XXX	\$XXX
Total Hours	<u>XXX</u> A		
Out of Pocket Expenses			\$XXX
Total All Inclusive Maximum Fee			<u>\$XXX</u> B
Average Billing Rate (B/A)			<u>\$XXX</u>

#### For the entire contract period:

Total All Inclusive Maximum Fee	<u>\$XXX</u> C
Total Hours	<u>XX</u> D
Average Billing Rate (C/D)	<u>\$XXX</u>

### Questions

All questions concerning SFPs should be directed to Nancy Clement at [nclement@lla.la.gov](mailto:nclement@lla.la.gov).

Example of the front of the pricing envelope:

<p style="text-align: center;"><b>Pricing Information</b></p> <hr/> <p style="text-align: center;">Solicitation Number</p> <hr/> <p style="text-align: center;">ICPA Name</p> <hr/> <p style="text-align: center;">State Agency Name</p>
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