



Southern Oregon University

Public Meeting Notice

June 19, 2015

TO: Board of Trustees of Southern Oregon University
FROM: Liz Shelby, SOU Chief of Staff
RE: Notice of Executive and Audit Committee Meeting

The Southern Oregon University Board of Trustees Executive and Audit Committee will hold a committee meeting on the date and at the location set forth below.

Topics of the meeting will include Committee audit responsibilities, an overview of the SOU Risk Management structure, and an update on the internal audit position, external audit draft RFP, and University Board Secretary search.

The meeting will occur as follows:

Friday, June 26, 2015
10:00A.M. to 11:30A.M.
Churchill Hall First Floor Conference Room

Churchill Hall is located at 1250 Siskiyou Blvd., on the campus of Southern Oregon University. **If special accommodations are required, please contact Jennifer Athanas at (541) 552-6111 at least 72 hours in advance.**

Board of Trustees

1250 Siskiyou Boulevard, Ashland, OR 97520 T (541) 552-6111 sou.edu/governance

**Southern Oregon University Board of Trustees
Executive and Audit Committee**

**Friday, June 26, 2015
10:00A.M. – 11:30A.M.**

Churchill Hall First Floor Conference Room

Agenda

Call to Order

Roll Call

Public Comment

Board Statement on Executive and Audit Committee

- **Review board audit committee responsibilities**

Overview of SOU Risk Management Structure – Phone Conference

James G. Parker

Davis Wright Tremaine LLP

Ryan Britz

Berkley Risk Administrators Company, LLC

Internal Auditor Search Update

External Audit Draft RFP

Board Secretary Search Update

Adjourn

**Board Statement on Board Committees
Board of Trustees of Southern Oregon University**

1.0 Standing Committees and Ad Hoc Committees

Subject to the requirements of applicable law, the Board may establish such Standing Committees and Ad Hoc Committees as it deems appropriate or necessary from time to time and shall define the duration, existence, duties, membership and reporting requirements of such committees. The Standing Committees of the Board shall be the Executive and Audit Committee, Finance & Administration Committee, and Academic and Student Affairs Committee. Standing Committees may consist only of Trustees, continue until terminated by the Board, and develop a charter for approval by the Board. The term of Ad Hoc Committees, if any, shall be one year or less. An Ad Hoc Committee shall include at least one Trustee, engage in information gathering and reporting only, and make any report or recommendation to the Chair of the Board or the Chair of a Standing Committee.

2.0 Executive and Audit Committee

2.1 There shall be a six-member Executive and Audit Committee (EAC) of the Board of Trustees, which shall sit as the Executive Committee of the Board and the Audit Committee of the Board. The Chair and Vice Chair of the Board and the chairs of the Finance & Administration Committee and Academic and Student Affairs Committee shall each be an ex officio voting member of the EAC, and the Chair of the Board shall select the fifth and sixth voting members. The University President may not serve on the EAC. The Chair of the Board shall be the chair of the committee. During the absence or incapacity of the Chair, the Vice Chair shall be the chair. During the absence or incapacity of the Chair and the Vice Chair, the chair of the Finance & Administration Committee shall be the chair.

2.2 When sitting as the Executive Committee, the EAC shall represent and, except as prohibited by applicable law, may act for the Board on any matter, except for the hiring or removal of the President of the University. The committee should generally endeavor to refer matters to the Board, but it is expected that the committee will act for the Board when the committee determines it to be necessary or appropriate. The committee shall submit reports on its actions to the Board.

2.3 When sitting as the Executive Committee, the EAC shall consider matters pertaining to the hiring, employment, and removal of the President of the University. Such matters, except for the hiring or removal of the President, shall be referred to the Board as seconded motions. The hiring or removal of the President shall be referred to the Board as a proposed motion.

2.4 When sitting as the Audit Committee, the EAC may consider matters pertaining to audits, compliance and risk management. Matters that may be brought before the committee include, but are not limited to, the following examples:

2.4.1 Audits and Internal Controls—matters relating to external and internal auditors, audit plans and reports, and internal controls.

2.4.2 Compliance—matters relating to compliance with legal and regulatory requirements.

2.4.3 Risk Management—matters relating to risk management, insurance, and risk transfer devices.

2.5 All matters considered pursuant to section 2.4 by the EAC sitting as the Audit Committee that require action by the Board shall be referred to the Board as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the EAC. Subsequent to the transaction of any business under such express delegated authority, the committee shall render a report on the business to the Board.

2.6 Any of the examples of matters brought before the EAC sitting as the Audit Committee pursuant to section 2.4 may be directed to any other committee or the Board for consideration.

3.0 Finance & Administration Committee

3.1 There shall be a seven-member Finance & Administration Committee (FAC). At the Board's second regular meeting of each odd-numbered calendar year or such other time that the Board Chair determines is necessary to the orderly operation of the Board's business, the Board Chair shall appoint the chairperson and other members of the FAC. The Chair and Vice Chair of the Board shall not be appointed to the FAC but may act as alternates, including voting, in the event of the absence of any committee member at any regular, special or emergency meeting.

3.2 All matters considered by the FAC that require action by the Board shall be referred, as appropriate, to the Board or the Executive Committee for action as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the FAC. Subsequent to the transaction of any business under express delegated authority, the FAC shall render a report on the business to the Board.

3.3 The FAC may consider matters pertaining to the financial, capital, and other assets of the University. Matters that may be brought before the Committee include, but are not limited to, the following examples:

- 3.3.1 Budget—matters relating to the University's operating and capital budgets and requests for appropriation of state funds.
- 3.3.2 Investments and Finances—matters relating to the University's investments, finances, financial accounts, and debt finance.
- 3.3.3 Tuition and Fees—matters relating to tuition and mandatory enrollment fees.
- 3.3.4 Real Property—matters related to the acquisition, management, development and disposal of real property.
- 3.3.5 Personal Property—matters related to the acquisition, management, development and disposal of personal property, tangible and intangible.

Any of the above enumerated examples of matters brought before the FAC may be directed to any other committee or the Board for consideration.

4.0 Academic and Student Affairs Committee

4.1 There shall be a seven-member Academic and Student Affairs Committee (ASAC). At the Board's second regular meeting of each odd-numbered calendar year or such other time that the Board Chair determines is necessary to the orderly operation of the Board's business, the Board Chair shall appoint the chairperson and other members of the ASAC. The Chair and Vice Chair of the Board shall not be appointed to the ASAC but may act as alternates, including voting, in the event of the absence of any committee member at any regular, special or emergency meeting.

4.2 All matters considered by the ASAC that require action by the Board shall be referred, as appropriate, to the Board or the Executive Committee for action as a seconded motion unless authority to act on behalf of the Board has been delegated expressly to the ASAC. Subsequent to the transaction of any business under express delegated authority, the ASAC shall render a report on the business to the Board.

4.3 The ASAC may consider matters pertaining to the teaching, research, and public service programs of the University and to its faculty, staff, and students. Matters that may be brought before the Committee include, but are not limited to, the following examples:

- 4.3.1 Faculty and Staff Affairs—matters relating to the faculty and the professional and classified staff, including their status and responsibilities, discipline and welfare.
- 4.3.2 Educational Policy—matters relating to educational policy, including admissions requirements, instruction, curriculum, degrees, research, educational technology, distance learning, public services activities, and the establishment and disestablishment of educational and research organizational units.
- 4.3.3 Student Welfare—matters relating to the general welfare of students, including housing and food services, health services and health insurance, safety, extracurricular activities, sports programs, and policies governing student discipline and student organizations.

Any of the above enumerated examples of matters brought before the ASAC may be directed to any other committee or the Board for consideration.

5.0 Notice of Meetings of Standing Committees

Meetings of Standing Committees of the Board shall be held at such times and places as may be fixed by each committee or its chair. The Secretary shall cause the required notices of meetings of Standing Committees to be sent to each member of the Board. The Secretary shall also cause the preparation of the minutes, any audio recording, audio and video recording, streaming audio, or streaming audio and video of the meeting. The Secretary shall cause the minutes and any recording or transmission to be maintained in accordance with applicable records retention requirements.

6.0 Quorums

A majority of the members of a Standing Committee shall be necessary to constitute a quorum. The faculty and non-faculty staff members of any committee may not participate in any discussions or action by the committee or attend any executive session of the committee involving collective bargaining issues that affect faculty or non-faculty staff at the University.

7.0 Information Gathering and Investigation

The Chair of the Board, or the Vice Chair during the Chair's absence or incapacity, may appoint one to three members of the Board or one or more other persons to gather information and provide it to the Board or a Board Committee. The Chair of a Standing Committee may appoint one to three members of the Standing Committee or one or more other persons to gather information and provide it to the Standing Committee.

Approved on January 30, 2015.

Chair of the Board

Secretary of the University

Title: Internal Auditor

Salary: 95,000 – 100,000

FTE: 1.0, 12 Months

Position Summary

This position is responsible for the University's internal audit function. He/she will be responsible for planning, executing and reporting on operational, financial and regulatory compliance with Federal, State, Board of Trustees and University policies, procedures and regulations. The Internal Auditor will report administratively to the President of the University and functionally to a committee of the Southern Oregon University Board of Trustees, and work closely with the University's Vice President for Finance and Administration and the Director of Business Services.

Essential Functions:

Duty: Audit Plan

% of Time: 25%

Coordinates and executes an annual audit plan by evaluating the activities of the University to determine the areas to be included. Ensures that written reports for each internal audit are prepared and such reports are furnished to appropriate University Officials and/or the Executive Committee of the Board of Trustees.

Duty: Auditing Activities

% of Time: 30%

Coordinates and communicates the audit process with the campus activity being audited. Conducts audit activities and documents results of audit work in accordance with the standards for the Professional Practice of Internal Auditing and the Code of Ethics adopted by the Institute of Internal Auditors. Evaluates the adequacy of management's response for corrective action and performs necessary follow-up procedures to determine if corrective action has been implemented. Coordinates and oversees engagement of external auditors and coordinates auditing efforts with external auditors. Works with the Higher Education Coordinating Commission and/or Oregon Secretary of State Audits Division as necessary.

Duty: Communication

% of Time: 20%

Keeps the University President, Audit Committee and other campus executives apprised of high-risk engagement issues as they arise and reports and reviews major audit issues as necessary to resolve such situations. If fraud or any inappropriate activity is determined, prepares and provides detailed supporting documentation to the appropriate University officials, the Office of General Counsel and appropriate law enforcement officials. Maintains the university hotline for fraud, waste and abuse reporting and coordinates necessary investigations with University Officials.

Duty: Operations

% of Time: 10

Maintains the budget and operations for the day-to-day operation of Internal Audit. Ensures that internal Audit policies are current and meet the needs of the University. Ensures the Internal Audit web site content remains current, relevant and informative.

Duty: Risk Assessment

% of Time: 10

Conducts risk assessments and evaluates controls in place to mitigate identified risks. Reviews and appraises the soundness of the University's financial and information systems controls. Reviews University policies and procedures and makes recommendations for improvements and/or adjustments to improve internal controls, as needed.

Duty: Special Projects

% of Time: 5

Performs special projects, as required.

Minimum Qualifications:

Bachelor's degree in related field.

A professional accounting, auditing or compliance certification such as a certified public accountant, certified Internal auditor, certified fraud examiner, certified compliance and ethics professional, or certified information systems auditor.

A minimum of five years of compliance, auditing, process improvement or other related experience.

Demonstrated skills in performing effective risk based analysis, project management, and interviews.

Demonstrated effective technical and non-technical communication skills (oral and written) with diverse stakeholder groups.

Experience performing complex data analytical procedures including experience with electronic information and communication systems, databases, spreadsheets, and word processing.

Preferred Qualifications:

Master's Degree in a related field

Previous auditing experience in higher education



DRAFT

**REQUEST FOR PROPOSAL
No. 2016-01**

Audit Services

**PROPOSAL DUE DATE AND TIME:
XXXXXX XX, 2015 (3:00 PM, PT)**

SUBMITTAL LOCATION:

Southern Oregon University
Contracts Office
1250 Siskiyou Boulevard
Ashland, Oregon 97520

(Updated: June 18, 2015)

1.0 GENERAL

1.01 SCHEDULE OF EVENTS

- Issue DateXXXXXXXX 2015
- Deadline for Requests for Clarification or ChangeXXXXXXX, 2015 (3:00 pm, PT)
- Proposal Due Date and TimeXXXXXXX, 2015 (3:00 pm, PT)

This Schedule of Events is subject to change. Any changes will be made through the issuance of Written Addenda.

1.02 PRE-PROPOSAL CONFERENCE

A Pre-Proposal Conference will not be held.

1.03 ISSUING OFFICE

The Contracts Office at Southern Oregon University ("SOU") is the issuing office and is the sole point of contact for this Request for Proposal. Address all concerns or questions regarding this Request for Proposal to the Administrative Contact identified below.

1.04 ADMINISTRATIVE CONTACT

Name: _____
Title: _____
Telephone: _____
Fax: _____
E-Mail: _____

1.05 DEFINITIONS

As used in this Request for Proposal, the terms set forth below are defined as follows:

- a. "Addenda" means an addition to, deletion from, a material change in, or general interest explanation of the Request for Proposal.
- b. "Exhibits" means those documents which are attached to and incorporated as part of the Request for Proposal.
- c. "Proposal" means an offer, binding on the Proposer and submitted in response to a Request for Proposal.
- d. "Proposer" means an entity that submits a Proposal in response to a Request for Proposal.
- e. "Proposal Due Date and Time" means the date and time specified in the Request for Proposal as the deadline for submitting Proposals.
- f. "Request for Proposal" (RFP) means a Solicitation Document to obtain Written, competitive Proposals to be used as a basis for making an acquisition or entering into a Contract when price will not necessarily be the predominant award criteria.
- g. "Responsible" means an entity that demonstrates their ability to perform satisfactorily under a Contract by meeting the applicable standards of responsibility outlined in OAR 580-061-0130.
- h. "Responsive" means a Proposal that has substantially complied in all material respects with the criteria outlined in the Request for Proposal.
- i. "Written or Writing" means letters, characters, and symbols that are intended to represent or convey particular ideas or meanings and are made in electronic form or inscribed on paper by hand, print, type, or other method of impression.

2.0 INTRODUCTION AND BACKGROUND

2.01 INTRODUCTION

Procurement, Contracts and Materials Management is seeking Responsive Responsible Proposers to submit Proposals for conducting various audit services for Southern Oregon University.

2.03 SOUTHERN OREGON UNIVERSITY

INSERT SOU INFORMATION

2.02 BACKGROUND

Southern Oregon University is seeking proposals from qualified contractors to perform an audit of the Southern Oregon University Financial Statements, a compliance audit in accordance with the Federal Office of Management and Budget (OMB) Circular 133 or applicable Federally OMB Circulars at the time of the engagement. Beginning July 1, 2015, Southern Oregon University will have their own institutional governing board and will no longer be under the authority of the State Board of Higher Education.

The resulting contract will initially be awarded for services for the years ending June 30, 2016 and June 30, 2017 (unless otherwise terminated). The contract may be extended to perform the services up to five additional one-year periods, for a possible total of seven audit periods ending June 30, 2021 as such services are needed. Such amendments shall be made based upon mutual agreement between the contractor and Southern Oregon University and will be formalized by a written amendment of the original contract to extend for additional contract periods. Pricing information shall be provided by Proposers for the two years ending June 30, 2016 and June 30, 2017. For the years after June 30, 2017, amendments for time and price will be based upon mutual agreement between the contractor and Southern Oregon University. Proposed pricing information will be provided or notification of intent not to extend the contract to the next audit year will be communicated no later than February 25th of the year to be audited.

The audit of Southern Oregon University's Annual Financial Report and federal program compliance audit shall be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. In addition, if applicable as discussed below, any federal programs shall be audited in accordance with the American Institute of Certified Public Accountants (AICPA) Codification of Statements on Auditing Standards; generally accepted government auditing standards; the AICPA Government Auditing Standards and applicable federal Audit Guides; the Office of Management and Budget (OMB) Guidance and compliance supplement. The audit shall include reports to comply with OMB Circular A-133 or applicable Federal OMB Uniform Guidance in place at the time of the engagement.

Southern Oregon University follows the pronouncements of the Governmental Accounting Standards Board and prepares its financial statements in accordance with those accounting standards. SOU's audited financial statements will be included in the State of Oregon's Comprehensive Annual Financial Report as a component unit in accordance with GASB Statement No. 39. In accordance with GASB Statement No. 39, SOU annual financial statements include the following component units: Southern Oregon University Foundation. The component unit is discretely presented and is a tax-exempt non-profit organization legally separate from SOU. Financial information for the component unit comes from the component unit's audited financial statements.

Each year, the auditor will identify the high-risk major programs, using the risk-based program selection criteria prescribed by OMB Circular A-133 or applicable federal guidance.

The prior year audited financial statements of SOU can be found at the following website: <http://sou.edu/fa/businessaffairs/sites/default/files/training/2013AnnualFinancial.pdf> (EDIT****)

The prior year OMB Circular A-133 Audit Reports can be found at the following website: <http://sou.edu/fa/businessaffairs/sites/default/files/faa/Files/2013sefa.xlsx> (EDIT*****)

Accounting Records:

SOU's annual financial statements are prepared by the University Shared Services Enterprise (USSE) that provides financial reporting to participating Oregon higher education institutions. Information for the financial statements comes from Banner FIS. Cognos Controller is used to compile the data into GASB financial reports and record any post-closing or audit adjustments. SOU uses the Banner Financial Information System (FIS) as

their accounting system. Banner FIS is an online electronic accounting system on an Oracle database platform. The Banner FIS accounting records are organized by fund, account, and program type, which corresponds to the guidelines provided by the National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual (FARM). Banner FIS is supported by subsidiary ledgers, including each institution's: Banner Student Information System (SIS), Fixed Assets System, and Human Resources System (HRIS), which is used to process the payroll.

The USSE and the SOU Controller's Division functions include establishing accounting policies, financial reporting, treasury management, debt management, investment management, and aggregated payroll functions. SOU is also responsible for general accounting, cashiering, collections, deposits, accounts payable, institutional payrolls, fixed assets accounting, and grant and contract accounting.

Federal Program Information

SOU has separate offices for distinguishing post-award accounting and administration functions from the "pre-award" functions. SOU also receives Federal financial aid funds, which are administered by the financial aid office. The SOU Shared Service organization prepares the annual Schedule of Expenditures of Federal Awards. The SOU Schedule of Federal Awards Spreadsheet itemizing cluster information can be found at the following website: http://sou.edu/fa/businessaffairs/sites/default/files/faa/Files/2013SEFA_b.xlsx. (EDIT****)

Other Information

The SOU Office of Audit Services (OAS) provides a comprehensive internal audit function for SOU. OAS complies with the Institute of Internal Auditors International Professional Practices Framework and receives an external peer review to confirm compliance with these standards. The Southern Oregon University Board of Trustees approves the division's annual internal audit plan. In addition to scheduled audits, OAS may conduct special examinations at the request of management and others. OAS audit results are reported to SOU management and the Southern Oregon University Board of Trustees Executive and Audit Committee.

A portion of SOU revenues come from State appropriations. The State appropriations are granted by the Legislature as a result of a biennial budget request.

SOU issues its own long term debt related to the acquisition, construction, and improvements to buildings and other real property. The long term debt is generally in the form of tax-exempt bonds issued under sections XI-G, XI-F and XI-Q of the State of Oregon Constitution. Other forms of long-term debt include certificates of participation, lottery bonds, and energy loans.

SOU payroll expenditures include employer contributions to various retirement plans including the State of Oregon Public Employees Retirement System, the Oregon Public Service Retirement Plan, and the "Optional Retirement Plan;" and employer paid medical and dental insurance. Currently, SOU "other post-employment benefits (OPEB)" is limited to the "implicit rate subsidy" that SOU retirees benefit from when they continue with and pay for SOU health insurance.

3.0 STATEMENT OF WORK

3.01 SAMPLE CONTRACT

A sample contract containing a statement of work and contractual terms and conditions is included at Exhibit A. All terms and conditions are expressly authorized for negotiation. A single contractor will be hired for all services listed in the contract. It is desired that a contract be signed by the end of August, 2014 at the latest.

4.0 PROPOSER QUALIFICATIONS

4.01 MINIMUM QUALIFICATIONS

In order to qualify as a Responsive Proposer, a Proposer needs to meet the minimum qualifications below.

1. Ability to provide all three categories of audit work described in statement of work in Exhibit A.
2. Legal capacity to do business in the State of Oregon
3. Business organizations that offer public accounting services in Oregon are required to be registered with the Oregon Board of Accountancy (Oregon Revised Statutes Chapter 673). Include statement that proposing firm is registered with the Board or provide an explanation if proposing firm is not required to be registered.
4. The Partner/Principal (“Engagement Partner”) responsible for the audit, who signs the audit opinion with the firm name and the partner’s own name, must be located in the United States and have at least eight (8) years of experience in public accounting.
5. The proposed Engagement Partner must have been the engagement partner on at least two (2) audits of universities. The Engagement Partner must be a Certified Public Accountant in good standing.
6. The Audit Manager/Director responsible for the audit must be located in the United States and have at least six (6) years of experience in public accounting, including at least one (1) engagement of a university system. The Audit Manager/Director must be a Certified Public Accountant in good standing.
7. The On-Site Audit Manager/Supervisor responsible for the audit must be located in the United States and have at least four (4) years of experience in public accounting, including at least one (1) engagement of a university system. The On-Site Audit Manager/Supervisor must be a Certified Public Accountant in good standing.

4.02 PREFERRED QUALIFICATIONS

SOU will award additional points to Proposers based on the extent to which they are able to meet the preferred qualifications below.

1. Engagement Partner experience auditing universities similar in size and complexity to Southern Oregon University
2. Audit Manager/Director experience auditing universities similar in size and complexity to Southern Oregon University
3. On-Site Audit Manager/Supervisor experience auditing universities similar in size and complexity to Southern Oregon University

5.0 REQUIRED SUBMITTALS

5.01 QUANTITY OF PROPOSAL

Submit one (1) electronic or hard copy via any of the methods detailed in Section 7.07 SUBMISSION. If submitting via hard copy, include one (1) electronic copy (PDF format) of Proposal on CD/DVD/flash drive. Proposals should contain original signatures on any pages where a signature is required (in the case of electronic submissions, scans of such pages should be included). Proposals should contain the submittals listed in this section below.

5.02 REQUIRED SUBMITTALS

It is the Proposer’s sole responsibility to submit information in fulfillment of the requirements of this Request for Proposal. If pertinent information or required submittals are not included within the Proposal, it may cause the Proposal to be rejected or have an adverse impact on evaluation.

Proposers must submit the following information:

1. Proposer’s General Qualifications:
 - o Cover letter describing the organizational structure and history of the Proposer, including parent corporations (if applicable)
 - o Description of experience providing auditing services to universities of a similar size and complexity

to Southern Oregon University. Provide evidence of similar audits performed within the last five (5) years, including the following information:

- Client Name
- Primary contact person, including title, email address, and phone number
- Audit objectives and/or deliverables.
- Audit start and end dates.
- Number and qualifications of audit personnel
- Approximate number of hours expended.
- Any additional information, which will help SOU understand the scope and complexity of the engagement and how it is similar to SOU.

2. Statement of Work Information:

- For each category contained within the statement of work following information must be submitted:
 - Description of the Proposer's experience in performing the service
 - Description of what distinguishes the Proposer from other firms performing a similar service
 - A list of specific persons who will be responsible for the proposed work and a resumes for each person. Resumes should include information on professional certifications or licensure and any previous experience with universities of similar size and complexity to Southern Oregon University. Specifically information must be provided for the following personnel:
 - Engagement Partner
 - Audit Director
 - On-Site Audit Manager
 - Other staff who will be members of the team assigned to provide the service
 - A comprehensive work plan for performing the service, including:
 - a demonstrated understanding of the work to be performed
 - the nature and extent of audit procedures to be performed
 - a detailed approach and methodology for performing the work
 - a timeline for completion of all activities and delivery of final report
 - expected timing of audit procedures including critical audit objective completion dates
 - expected utilization of staff and audit specialists
 - relationship of staff qualifications to planned work assignments
 - expected utilization of computer-assisted audit techniques and technology
 - supervisory review and quality control procedures to be performed
 - description of the method, content, and frequency of conferences and audit progress reports to SOU staff
 - any other information deemed necessary to understand the audit scope, plan and approach
 - Complete and itemized pricing, including:
 - a total cost itemizing the hours and costs to provide the service for the two years provided. SOU acknowledges that a risk determination on the federal compliance audit will need to be completed to confirm the number of programs to be audited and the associated costs, the RFPs should list the various scenarios pricing for the number of programs that may be selected.
 - an hourly rate for each staff member assigned to providing the service and an estimated number of hours of each staff person to complete the service
 - a list of expenses that will be billed other than the hourly fee and travel reimbursements
 - Prices quoted shall include all costs for services provided under this contract pertaining to the fiscal years ending June 30, 2016 and June 30, 2017. Any unspecified costs shall be borne by the Contractor. Expenses, including travel expenses, will not be reimbursed.

3. Additional Information:

- Disclosure of any and all judgments, pending or expected litigation, or other real or potential financial reversals that might materially affect the viability or stability of the Proposer, or warrant that no such condition is known to exist. If the Proposer is a national firm it must disclose the above information for its region and all material judgments and pending or expected litigation on a nation-wide basis.
- If the Proposer has had a contract terminated for default during the past five (5) years, all such incidents must be described. Termination for default is defined as a notice to stop performance due to the Proposer's nonperformance or poor performance, and the issue was either (a) not litigated or (b) litigated and such litigation determined the Proposer to be in default. Submit full details of all terminations for default experienced by the Proposer during the past five (5) years, including the other party's name, address, and telephone number. Present the Proposer's position on the matter. SOU will evaluate the facts and may, at its sole discretion, reject the Proposer's proposal if the facts discovered indicate that completion of a contract resulting from this RFP may be jeopardized by selection of the Proposer. If no such terminations for default have occurred, indicate as much.
- The Proposer must submit a statement that it has an internal quality control system in place and that it is participating in an external quality control review program requiring it to undergo a review at least once (1) every three (3) years.
 - The Proposer must include as an attachment to the Proposal the final report including findings of an external quality control review report ("Peer Review") completed within the last three (3) years.
- In accordance with Government Auditing Standards, the Proposer (both organization and the individual team members) must be free from personal, external, and organizational impairments to independence and should maintain an independent attitude and appearance. Proposer must submit a statement of understanding of independence requirements and that Proposer and all key staff are independent and will comply with this requirement.
- For above proposed team members and any other proposed audit team members that are Certified Public Accountants, include a statement that none of the members has been disciplined by their respective state's licensing board for performing substandard work within the last five (5) years. Also include each member's Oregon license number or if member is not licensed in Oregon please provide applicable State and license number.
- Include Proposer's Federal tax identification number and Secretary of State Corporation Division Business Registry number. Provide an explanation if Proposer is not required to be registered with the Business Registry in Oregon.
 - Business organizations that offer public accounting services in Oregon are required to be registered with the Oregon Board of Accountancy (Oregon Revised Statutes Chapter 673). Include statement that proposing firm is registered with the Oregon Board of Accountancy or provide an explanation if proposing firm is not required to be registered.
- A statement of understanding regarding the required timetables that confirms the Proposer's ability to accomplish the necessary work within the timetables.
- A statement that in accordance with Government Auditing Standards, each member of the engagement will complete the following:
 - every two (2) years, eighty (80) hours of continuing education and training which contributes to the auditor's professional proficiency
 - at least twenty (20) hours will be completed in any one (1) year of the two (2) year period
 - at least twenty-four (24) hours of the eighty (80) hours continuing education and training will be in subjects directly relating to the government environment and to government auditing.

4. Detailed information about how the Proposer meets the minimum qualifications described in section 4.

5. Detailed information about how the Proposer meets the preferred qualifications described in section 4.
6. Exhibit B: Certifications, fully completed.
7. Exhibit C: References, fully completed. Three references for each category of work are required.

6.0 EVALUATION

6.01 EVALUATION

The stages of review and evaluation are as follows:

- a. **Determination of Responsiveness:**
SOU will first review all Proposals to determine Responsiveness. Proposals that do not comply with the instructions or are incomplete may be deemed non-Responsive. Written notice will be sent to Proposers whose Proposal is deemed non-Responsive identifying the reason. A Proposer has the right to appeal the decision pursuant to OAR 580-061-130(5)(a).

- b. **First Stage Evaluation:**
Those Proposals determined to be Responsive will be evaluated using the required submittals. Proposals will be scored based on the evaluation criteria listed below in section 6.03. Scores will be used to determine Proposer's within a competitive range. The competitive range will be made of Proposers whose individual scores, when viewed together, form a group of the highest ranked Proposers above a natural break in the scores.

SOU may award after the first stage evaluation to the highest ranked Proposer without moving on to the second stage evaluation. If this option is selected, Written notice of intent to award the Contract to the highest ranked Proposer will be provided to all Responsive Proposers, or an award may be made directly without notice of intent in those instances of a single Responsive Proposer.

- c. **Second Stage Evaluation:**
If award is not made after the first stage evaluation, SOU may choose any of the following methods in which to proceed:
 - i. Issue a Written invitation to Proposers within the competitive range requesting an interview, presentation, site visit or any other evaluative method that is relevant to the goods or services solicited in the Request for Proposal. Written invitations will contain the evaluation criteria and scoring that will be used by the evaluation committee.
 - ii. Engage in oral or written discussions with and receive best and final Proposals from all Proposers in the Competitive Range or all Proposers submitting Responsive Proposals. Discussions may be conducted for the following purposes:
 - Informing Proposers of deficiencies in their initial Proposals;
 - Notifying Proposers of parts of their Proposals for which SOU would like additional information; or
 - Otherwise allowing Proposers to develop revised Proposals that will allow SOU to obtain the best Proposal based on the requirements set forth in this Request for Proposal.

The conditions, terms, or price of the Proposal may be altered or otherwise changed during the course of the discussions provided the changes are within the scope of the Request for Proposal. Best and final Proposals will be scored based on the evaluation criteria listed below in section 6.03. Points awarded in the first stage evaluation will not be carried to the second stage evaluation. Contract will be awarded to the Proposer who in SOU's opinion, best meets the requirements and qualifications of the RFP and SOU's needs.

- d. **Additional Stages of Evaluation:**
If after completion of the second stage of evaluation, an award is not made, SOU may add another stage of evaluation using any of the methods outlined in the second stage evaluation above.

6.02 EVALUATION CRITERIA

Points will be given in each criteria and a total score will be determined. The maximum points available for each criterion are identified below.

<u>Evaluation Criteria</u>	<u>Points</u>
Proposal relative to Statement of Work, including the following	30
Category A: Financial Audit	
Category B: A-133 portion of Statement of Work	
Proposer's qualifications relative to the preferred qualifications	30
Price of the goods or services	30
Quality of Proposal and responsiveness to submittal components	10
Total	100

6.03 NEGOTIATIONS

SOU may commence serial negotiations with the highest ranked Proposer or commence simultaneous negotiations with all eligible Proposers. SOU may negotiate:

- a. The statement of work;
- b. The Contract price as it is affected by negotiating the statement of Work; and
- c. Any other terms and conditions determined by SOU in its sole discretion to be reasonably related to those expressly authorized for negotiation.

Terms and conditions within the sample contract that are unrelated to the statement of work or Contract price may be negotiated after award, but before legal review or execution of the Contract. If a successful contract cannot be negotiated in a timely manner after award, SOU may conclude contract negotiations and rescind its award to that Proposer and return to the most recent RFP stage to negotiate with another Proposer for award.

6.04 INVESTIGATION OF REFERENCES

SOU reserves the right to investigate and to consider the references and the past performance of any Proposer with respect to such things as its performance or provision of similar goods or services, compliance with specifications and contractual obligations, and its lawful payment of suppliers, subcontractors, and workers. SOU further reserves the right to consider past performance, historical information and facts, whether gained from the Proposal, Proposer interviews, references, SOU or any other source in the evaluation process. SOU may postpone the award or execution of the Contract after the announcement of the notice of intent to award in order to complete its investigation.

7.0 INSTRUCTIONS TO PROPOSERS

7.01 APPLICABLE STATUTES AND RULES

This Request for Proposal is subject to the applicable provisions and requirements of the Oregon Revised Statutes, Oregon Administrative Rules, and SOU Policies and Procedures.

7.02 MANUFACTURER'S NAMES AND APPROVED EQUIVALENTS

Unless qualified by the provision "NO SUBSTITUTE" any manufacturers' names, trade name, brand names, information and/or catalogue numbers listed in a specification are for information and not intended to limit competition. Proposers may offer any brand for which they are an authorized representative, which meets or exceeds the specification for any item(s). If proposals are based on equivalent products, indicate in the proposal form the manufacturers' name and number. Proposers shall submit with their proposal, sketches, and descriptive literature, and/or complete specifications. Reference to literature submitted with a previous proposal will not satisfy this provision. Proposers shall also explain in detail the reason(s) why the proposed equivalent will meet the specifications and not be considered an exception thereto. Proposals that do not comply with these requirements are subject to rejection. Proposals lacking any written indication of intent to provide an alternate brand will be received and considered in complete compliance with the specification as listed in the RFP.

7.03 REQUESTS FOR CLARIFICATION OR CHANGE

Requests for clarification or change of the Request for Proposal must be in Writing and received by the

Administrative Contact no later than the Deadline for Request for Clarification or Change as specified in the Schedule of Events. Such requests for clarification or change must include the reason for the Proposer's request. SOU will consider all timely requests and, if acceptable to SOU, amend the Request for Proposal by issuing an Addendum. Envelopes, e-mails or faxes containing requests must be clearly marked as a Request for Clarification or Change and include the RFP Number and Title.

7.04 ADDENDA

Only documents issued as Written Addenda by PCMM serve to change the Request for Proposal in any way. No other direction received by the Proposer, written or verbal, serves to change the Request for Proposal. PCMM will notify potential Proposers through publication of the Addenda on the SOU procurement website. If you have received a Request for Proposal you are advised to consult the SOU procurement website, prior to Proposal submittal, to ensure that you have not missed any Addenda. Proposers are not required to return Addenda with their Proposal. However, Proposers are responsible for obtaining and incorporating any changes made by the Addendum into their Proposal. Failure to do so may, in effect, make the Proposal non-Responsive, which may cause the Proposal to be rejected.

7.05 PREPARATION AND SIGNATURE

All Required Submittals must be Written or prepared in ink and signed in ink by an authorized representative with authority to bind the Proposer. Signature certifies that the Proposer has read, fully understands, and agrees to be bound by the Request for Proposal and all Exhibits and Addenda to the Request for Proposal.

7.06 PUBLIC RECORD

Upon completion of the Request for Proposal process, information in your Proposal will become subject records under the Oregon Public Records Law. Only those items considered a "trade secret" under ORS 192.501(2), may be exempt from disclosure. If a Proposal contains what the Proposer considers a "trade secret" the Proposer must mark each sheet of information as such. Only bona fide trade secrets may be exempt and only if public interest does not require disclosure.

7.07 SUBMISSION

Proposals must be received in the PCMM office no later than the Proposal Due Date and Time; it is the Proposer's responsibility to ensure that the Proposal is received prior to the Proposal Due Date and Time indicated in this RFP, regardless of the method used to submit the Proposal. Proposals may be submitted via the following method(s):

- 1) Electronic copy in PDF format included as attachment(s) in an e-mail sent to bids@sou.edu. (EDIT ****) The e-mail subject line should contain the RFP No. and RFP title. Only those Proposals received at this e-mail address by the Due Date and Time will be considered Responsive; do not e-mail a copy of the Proposal to any other e-mail address. Proposals submitted directly to the Administrative Contact e-mail address will NOT be considered Responsive. It is highly recommended that the Proposer confirms receipt of the email with the Administrative Contact noted above or by calling 541-_____. The Administrative Contact may open the e-mail to confirm receipt but will NOT verify the integrity of the attachment(s), answer questions related to the content of the Proposal, or address the overall Responsiveness of the Proposal.
- 2) Hard copy in a sealed package or envelope dropped off in person or delivered to the submittal location listed on the Request for Proposal cover sheet. The package or envelope should be addressed to the Administrative Contact. It is highly recommended that the Proposer confirms receipt of the Proposal with the Administrative Contact prior to the Proposal Due Date and Time. If submitting via hard copy, include one (1) electronic copy (PDF format) of Proposal on CD/DVD/flash drive.

All Proposals, including those submitted through electronic methods (if allowed), must contain Written signatures indicating intent to be bound by the offer. If the Proposer submits multiple versions of the Proposal via different methods and does not explicitly direct SOU as to which version to use, SOU will determine which version of the Proposal will be used for evaluation.

7.08 MODIFICATION

Prior to submittal, Proposers should initial modifications or erasures in ink by the person signing the Proposal. After submittal but prior to the Proposal Due Date and Time, Proposals may be modified by submitting a Written notice indicating the modifications and a statement that the modification amends and supersedes the prior Proposal. After the Proposal Due Date and Time, Proposers may not modify their Proposal.

7.09 WITHDRAWALS

A Proposer may withdraw their Proposal by submitting a Written notice to the Administrative Contact identified in this Request for Proposal prior to the Proposal Due Date and Time. The Written notice must be on the Proposer's letterhead and signed by an authorized representative of the Proposer. The Proposer, or authorized representative of the Proposer, may also withdraw their Proposal in person prior to the Proposal Due Date and Time, upon presentation of appropriate identification and evidence of authority to withdraw the Proposal satisfactory to SOU.

7.10 LATE SUBMITTALS

Proposals and Written notices of modification or withdrawal must be received no later than the Proposal Due Date and Time (in the case of electronic submissions, the time/date stamp of the email received at the Contracts office must be no later than the Proposal Due Date and Time). SOU may not accept or consider late Proposals, modifications, or withdrawals except as permitted in OAR 580-061-0120. Sole responsibility rests with the Proposer to ensure SOU's receipt of its Proposal prior to the Proposal Due Date and Time. SOU shall not be responsible for any delays or misdeliveries caused by common carriers or by transmission errors, malfunctions, or electronic delays. Any risks associated with physical delivery or electronic transmission of the Proposal are borne by the Proposer.

7.11 PROPOSAL OPENING

Proposals will be opened immediately following the Proposal Due Date and Time at the Submittal Location. Proposer may attend the Proposal opening. Only the names of the Proposers submitting Proposals will be announced. No other information regarding the content of the Proposals will be available.

7.12 PROPOSALS ARE OFFERS

The Proposal is the Proposer's offer to enter into a Contract pursuant to the terms and conditions specified in the Request for Proposal, its Exhibits, and Addenda. The offer is binding on the Proposer for one hundred twenty (120) days. SOU's award of the Contract constitutes acceptance of the offer and binds the Proposer. The Proposal must be a complete offer and fully Responsive to the Request for Proposal.

7.13 CONTINGENT PROPOSALS

Proposer shall not make its Proposal contingent upon SOU's acceptance of specifications or contract terms that conflict with or are in addition to those in the Request for Proposal, its Exhibits, or Addenda.

7.14 RIGHT TO REJECT

SOU may reject, in whole or in part, any Proposal not in compliance with the Request for Proposal, Exhibits, or Addenda, if upon SOU's Written finding that it is in the public interest to do so. SOU may reject all Proposals for good cause, if upon SOU's Written finding that it is in the public interest to do so. Notification of rejection of all Proposals, along with the good cause justification and finding of public interest, will be sent to all who submitted a Proposal.

7.15 AWARDS

SOU reserves the right to make award(s) by individual item, group of items, all or none, or any combination thereof. SOU reserves the right to delete any item from the award if deemed to be in the best interest of SOU.

7.16 LEGAL REVIEW

Prior to execution of any Contract resulting from this Request for Proposal, the Contract may be reviewed by a qualified attorney for SOU pursuant to the applicable Oregon Revised Statutes and Oregon Administrative Rules. Legal review may result in changes to the terms and conditions specified in the Request for Proposal, Exhibits, and Addenda.

7.17 PROPOSAL RESULTS

A Written notice of intent to award will be issued to all Proposers. The Proposal file will be available for Proposer's review during the protest period at the Contracts Office. Proposers must make an appointment with the Administrative Contact to view the Proposal file. After the protest period, the file will be available by making a Public Records Request to SOU Office of General Counsel.

7.18 PROPOSAL PREPARATION COST

SOU is not liable for costs incurred by the Proposer during the Request for Proposal process.

7.19 PROPOSAL CANCELLATION

If a Request for Proposal is cancelled prior to the Proposal Due Date and Time, all Proposals that may have already been received will be returned to the Proposers. If a Request for Proposal is cancelled after the Proposal Due Date and Time or all Proposals are rejected, the Proposals received will be retained and become part of SOU's permanent Proposal file.

7.20 PROTEST OF CONTRACTOR SELECTION, CONTRACT AWARD

Any Proposer who feels adversely affected or aggrieved may submit a protest within three (3) business days after SOU issues a notice of intent to award a Contract. The protest must be clearly identified as a protest, identify the type and nature of the protest, and include the Request for Proposal number and title. **The rules governing protests are at OAR 580-061-0145. (EDIT****)**

DRAFT

EXHIBIT A
TERMS AND CONDITIONS / SAMPLE CONTRACT

**EXHIBIT B
CERTIFICATIONS**

By signature on this certification the undersigned certifies that they are authorized to act on behalf of the Proposer and that under penalty of perjury the undersigned will comply with the following:

SECTION I. OREGON TAX LAWS

The undersigned hereby certifies under penalty of perjury that the undersigned is authorized to act on behalf of Proposer and that Proposer is, to the best of the undersigned's knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250 and ORS chapters 118, 314, 316, 317, 318, 321 and 323 and the elderly rental assistance program under ORS 310.630 to 310.706 and local taxes administered by the Department of Revenue under ORS 305.620.

SECTION II. AFFIRMATIVE ACTION

The undersigned hereby certifies that they have not discriminated against Minority, Women or Emerging Small Business Enterprises in obtaining any required subcontracts, pursuant to **OAR 580-061-0030 (3) (EDIT***)**.

SECTION III. COMPLIANCE WITH SOLICITATION

The undersigned agrees and certifies that they:

1. Have read, fully understands and agrees to be bound by the Request for Proposal and all Exhibits and Addenda to the Request for Proposal; and
2. Are an authorized representative of the Proposer, that the information provided is true and accurate, and that providing incorrect or incomplete information may be cause for rejection of the Proposal or Contract termination; and
3. Will furnish the designated item(s) and/or service(s) in accordance with the Request for Proposal and the Contract; and
4. Has provided a correct Federal Employer Identification Number or Social Security Number with the Proposal.

SECTION IV. PERMISSIVE COOPERATIVE PROCUREMENTS

If Proposer is awarded a contract from this Request for Proposal, Proposer hereby (check one)

- agrees
 disagrees

to offer the resulting contractual terms and prices to other Oregon public institutions.

Authorized Signature: _____ Date: _____

Name (Type or Print): _____ Telephone:(_____)_____

Title: _____ Fax:(_____)_____

FEIN ID# or SSN# (required): _____ Email: _____

Company: _____

Address, City, State, Zip: _____

Construction Contractors Board (CCB) License Number (if applicable): _____

Business Designation (check one):

- Corporation Partnership LLC Sole Proprietorship Non-Profit

**EXHIBIT C
REFERENCES**

REFERENCE 1

COMPANY: _____ CONTACT NAME: _____
ADDRESS: _____ PHONE NUMBER: _____
CITY, STATE ZIP: _____ FAX NUMBER: _____
WEBSITE: _____ E-MAIL: _____
GOODS OR SERVICES PROVIDED: _____

REFERENCE 2

COMPANY: _____ CONTACT NAME: _____
ADDRESS: _____ PHONE NUMBER: _____
CITY, STATE ZIP: _____ FAX NUMBER: _____
WEBSITE: _____ E-MAIL: _____
GOODS OR SERVICES PROVIDED: _____

REFERENCE 3

COMPANY: _____ CONTACT NAME: _____
ADDRESS: _____ PHONE NUMBER: _____
CITY, STATE ZIP: _____ FAX NUMBER: _____
WEBSITE: _____ E-MAIL: _____
GOODS OR SERVICES PROVIDED: _____
