

ANCHORAGE SCHOOL DISTRICT

ANCHORAGE, ALASKA

ASD MEMORANDUM #226 (98-99) March 22, 1999

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: AWARD OF PROPOSAL: INDEPENDENT AUDIT OF SCHOOL DISTRICT'S FINANCIAL RECORDS

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to enter into a three-year contract with Deloitte & Touche to perform audits of the School District's financial records for annual fees of \$60,000 for 1999, \$61,800 for 2000 and \$63,600 for 2001.

PERTINENT FACTS:

This solicitation requested proposals for the Independent Audit of the School District's Financial Records. The contract term is for a three-year period, from March 23, 1999 until completion of the 1999-2001 fiscal years audit, but not later than November 15 of each year. The contract may be renewed on a year-to-year basis for an additional two years for a maximum period of five years. Renewal will be by mutual agreement between the contractor and District subject to School Board approval and will be confirmed in writing at the time of renewal.

Requests for Proposals were mailed to eight independent accounting firms. Three firms responded as indicated on the Abstract of Proposal (Attachment C).

The Request for Proposal included criteria for a two step evaluation process and required that proposals include a completed fixed fee proposal schedule in a separate sealed envelope. Step one of the evaluation process was the technical review of the proposals covering the scope of services. Points were assigned to each proposal in accordance with the formula specified in the Request for

Proposal (Attachment D). Step two of the evaluation process was opening the fixed fee schedules for all proposals and assigning points in accordance with the formula specified in the Request for Proposal. These scores were then added to the scores achieved in step one. Step two of the evaluation only considered the annual service fee amounts for fiscal years ending 1999, 2000 and 2001. Informational pricing for fiscal years ending 2002 and 2003 were requested for budgetary purposes only.

A three-member committee consisting of the Chief Financial Officer, Controller, and Senior Accountant evaluated the three proposals received.

The factors which were considered in the evaluation process and included in the specifications of the Request for Proposal were as follows:

- a) Audit Organization (0 — 25 points).
- b) Technical qualifications and approach (0 — 20 points).
- c) Individual audit staff qualifications (0 — 30 points).
- d) Number of audit man days (0 — 15 points).
- e) Proposal fees (0 — 60 points).

The committee rated each firm responding to the Request for Proposal against the evaluation criteria above (a — d above). A summary of evaluation points awarded to each firm and the fee analysis used by the committee are included as Attachments A and B, respectively.

Each firm responding to the Request for Proposals was rated as being responsive and qualified to provide an Independent Audit of the School District's Financial Records. Based on the factors considered and the scores achieved in the evaluation process, it was the decision of the committee to recommend the firm of Deloitte & Touche. Deloitte & Touche is recognized in the industry as one of the major national accounting firms.

The total recommended fee for three years is \$185,400. The average annual amount is \$61,800 and represents a 37% increase in professional fees for audit services as compared to last year's professional fee of \$45,000.

CERTIFICATION OF FUNDS:

Fund Description:

(1) General

(00101) School Board

(08001) Pupil Transportation Administration

(3010) Contracted Services Administration

Fund Source:

100101-3010 \$55,500

108001-3010 \$ 4,500

\$60,000

BC/EB/SAB

Attachments

Prepared by: Ed Blahous, Director, Purchasing/Warehouse  
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Approved by: Janet Stokesbary, Chief Financial Officer