

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #190 (2001-2002)

February 11, 2002

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: AWARD OF CONTRACT: INDEPENDENT AUDIT OF THE
ANCHORAGE 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 Mikunda, Cottrell & Company to perform audits of the Anchorage School District's financial records for annual fees of \$65,000 for 2002, \$56,175 for the 2003, and \$54,700 for 2004.

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 2002 until completion of the 2002-2004 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 and will be confirmed in writing at the time of renewal.

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

The Request for Proposals 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. 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 2002, 2003, and 2004.

Information pricing for fiscal years ending 2005 and 2006 were requested for budgetary purposes only.

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).

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 Mikunda, Cottrell, & Company. Mikunda, Cottrell & Company has completed several management audits for the District.

The total recommended fee for three years is \$175,875. The average amount is \$58,625 and represents approximately an 8 percent decrease in professional fees for audit services as compared to last year's professional fee of \$63,600.

CERTIFICATION OF FUNDS:

Funds Description:

- (01) General Fund
- (100101) School Board
- (108101) Bus Operations
- (3010) Contracted Services Administration

Fund Source:

100101-3010	\$60,500
108101-3010	<u>\$ 4,500</u>
	<u>\$65,000</u>

CC/GV/BH/PC/hs

Attachments

Prepared by: Pamela K. Chenier, Senior Purchasing Agent
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Approved by: George Vakalis, Assistant Superintendent, Support Services