

Request for Proposals

Financial Audit of the Minnesota Legislative Coordinating Commission for Fiscal Year 2019

- Solicitor:** Minnesota Legislative Coordinating Commission
- Deadline for Receipt of Proposals:** 4:00 p.m., Thursday August 1, 2019
- Send Proposals to:** Email (encouraged):
diane.henry@lcc.leg.mn
- By mail:
Attn: Proposals for Financial Audits
Minnesota Legislative Coordinating Commission
G-72 State Office Building
Saint Paul, MN 55155-1298
- Format for Proposals:** Proposals shall be submitted utilizing the form included in the packet.
- Contact Person:** Diane Henry-Wangenstein
Deputy Director
Minnesota Legislative Coordinating Commission
G-72 State Office Building
Saint Paul, MN 55155-1298
(651) 296-1121
diane.henry@lcc.leg.mn
- Contents of this Packet:** Cover Page (this page)
Financial Audit Proposal Specifications
Special Conditions
General Terms and Conditions
Sample Contract
Proposal Form
Submitter Statement of Qualifications
- Contract:** The successful submitter shall enter into a contract essentially similar to the sample contract included in the packet.

SPECIFICATIONS FOR FINANCIAL AUDIT

INTRODUCTION

The Minnesota Legislative Coordinating Commission is requesting proposals to audit the financial statements of the Commission for the fiscal year ending June 30, 2019. The audit is to be performed by an independent certified public accounting firm in accordance with the attached specifications and general terms and conditions.

GENERAL INFORMATION

The Commission is anticipated to have expenditures of approximately \$12 million and estimated receipts of less than \$5,000 in the fiscal year ending June 30, 2019. All expenditures, including payroll, accounts payable, and receipts were processed through the Minnesota Statewide Administrative Systems which includes SWIFT Accounting and SEMA4 Payroll. More details about these systems can be found on the web site of the state department agency of Minnesota Management & Budget and at <https://mn.gov/mmb/accounting/>.

This request for proposals does not obligate the Commission to complete the proposed audit, and the Commission reserves the right to cancel the solicitation if it is considered to be in its best interest.

CONTRACTOR QUALIFICATIONS

The Contractor must be an independent certified public accounting firm licensed to do business in the State of Minnesota.

AUDIT SCOPE

1. The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. This examination may include reviewing any receipts or expenditures appropriated to or expended by the Legislative Coordinating Commission for the fiscal year ending June 30, 2019.
2. The audit will also include an assessment of the accounting principles used and significant estimates made by management. The audit will determine whether the expenditures by the Commission are in accordance with appropriation acts and other laws, and with the financial operating rules, resolutions, motions, and orders of the Commission that may have a material effect upon the financial statement.

In order to assist the Contractor, the Commission will compile and provide to the Contractor copies of laws, rules, resolutions, contracts, grants, policies, and orders that the Commission has already identified as being applicable, but the Contractor is not limited to those identified by the Commission.

3. As part of the audit, the Contractor will issue an evaluation report on its consideration of the Commission's internal control structure to the extent required by generally accepted auditing standards and government auditing standards. The purpose of the evaluation is for the Contractor to gain a sufficient understanding of the internal control structure to plan the audit and determine the nature, timing, and extent of tests to be performed.

AUDIT STANDARDS

The financial audit is to be performed in accordance with auditing standards generally accepted by the Government Auditing Standards issued by the Comptroller General of the United States.

AUDIT REPORT

The audit report must state that the audit was conducted in accordance with auditing standards generally accepted by the Government Auditing Standards issued by the Comptroller General of the United States. The report must contain an expression of opinion regarding the fairness of presentation of the financial statements for the Commission. Commission staff will prepare any necessary financial statements, as directed by the Contractor, for inclusion in the audit report.

The audit report must contain a report on the auditor's tests of compliance with applicable laws and regulations, including a statement of positive assurance on those items that were tested for compliance and negative assurance on those items not tested. It must include all material instances of noncompliance with applicable laws and regulations.

The audit report must include, at a minimum, the scope of the auditor's work in obtaining an understanding of the internal control structure and in assessing the control risk, the Commission's significant internal controls or control structure including the controls established to ensure compliance with laws and regulations that have a material impact on the financial statements and results of the financial statement audit, and the reportable conditions, including the identification of material weaknesses, identified as a result of the auditor's work understanding and assessing the control risk.

The Commission reserves the right to require that its written responses to the Contractor's findings, conclusions, and recommendations be included in the audit report. The Contractor must provide to the Commission 20 printed copies and one electronic copy of the audit report and accompanying letters. The auditor along with Commission staff will present the audit report at a meeting of the Minnesota Legislative Coordinating Commission.

LEGISLATIVE COORDINATING COMMISSION

The auditor shall communicate to the Legislative Coordinating Commission additional information regarding the scope and results of the audit that may assist the Commission in overseeing its administrative functions. This information includes, but is not limited to, the level

REQUEST FOR PROPOSALS
Financial Audit of the Legislative Coordinating Commission

of responsibility assumed by the auditor under generally accepted auditing standards, significant accounting policies, management judgments and accounting practices, significant audit adjustments, disagreements with management over accounting practices, consultation with other independent accountants, major issues discussed with management prior to being retained as the auditor, and any serious difficulties the auditor encountered in dealing with management related to the performance of the audit.

PLACE OF PERFORMANCE

The place of performance of the audit is the offices of the Legislative Coordinating Commission which is located in the State Office Building in St. Paul, Minnesota. A suitable working area will be provided by the Commission for employees of the Contractor.

ACCOUNTING SYSTEM

The majority of the Commission expenditures are from annual direct appropriation from the State's General Fund, although there are some cash receipts and expenditures of money from special or dedicated accounts. The accounts payable is run on the Statewide Administrative System's SWIFT application, and the payroll is run using the Statewide Administrative System's SEMA4 application. More information about these systems is available at <https://mn.gov/mmb/accounting/>.

Fiscal Year 2019 expenditures are anticipated to be approximately \$12 million, of which approximately 88 percent are projected to be personnel costs.

TIME FOR COMPLETION

Field work for the audit must be completed during the time period of October 28 – December 13, 2019 with specific dates to be determined with the successful Contractor. The audit report must be delivered to the Director of the Legislative Coordinating Commission by February 15, 2018. The auditor with Commission staff will present the audit report at a meeting of the Minnesota Legislative Coordinating Commission that is anticipated to occur in late February or March, 2018.

CRITERIA FOR SELECTION OF CONTRACTOR

The Commission will select the Contractor on the basis of price and quality. Quality includes the appropriateness of the proposed work plan, the relevant qualifications and experience of the firm and of the personnel to be assigned to the work, and the likelihood that the firm will complete the work in a timely fashion.

REQUEST FOR PROPOSALS

Financial Audit of the Legislative Coordinating Commission

The Commission reserves the right to reject any or all proposals, the right to waive any irregularity, the right to enter into a contract that varies from the specifications or general conditions, and the right to negotiate at any time with those that submit proposals or with any other party. The Commission will not necessarily select the proposal that offers the lowest price; the Commission reserves the right to consider price, quality, reliability, convenience, and any other factors that the commission deems relevant. General terms and conditions specified in this Request for Proposals beginning on page 6 will be included in the contract.

SPECIAL CONDITIONS

CONTRACT

The successful submitter shall enter into a contract essentially similar to the sample contract found near the end of this request for proposals.

DEADLINE FOR RECEIPT OF PROPOSALS

4:00 P.M., Thursday August 1, 2019

FORMAT FOR PROPOSALS

Proposals shall be submitted on the form found at the end of this packet or in a substantially similar format. The form should also be accompanied by the Submitter's Statement of Qualifications and a Cost and Price Analysis. An outline to assist submitters in preparing these documents is provided at the end of this packet.

SUBMIT PROPOSALS TO

By mail: ATTN: Financial Audit Proposals
 Minnesota Legislative Coordinating Commission
 G-72 State Office Building, 100 Dr. Martin Luther King Jr. Blvd
 St Paul, Minnesota 55155-1298

By email: diane.henry@lcc.leg.mn

Submission by email is encouraged and to call 651-296-1121 to verify their proposal submission has been received. Note: No proposals will be accepted by fax.

CONTACT PERSON

Diane Henry-Wangenstein
Deputy Director
Minnesota Legislative Coordinating Commission
G-72 State Office Building, 100 Dr. Martin Luther King Jr. Blvd
St Paul, Minnesota 55155-1298
(651) 296-1121
diane.henry@lcc.leg.mn

GENERAL TERMS AND CONDITIONS

A. “LCC” means the Minnesota Legislative Coordinating Commission. In matters arising out of this Request for Proposals or out of any resulting contract, the authorized agent for the LCC is the Chair of the Legislative Coordinating Commission or the Director of the Legislative Coordinating Commission.

B. The Commission reserves the right to reject any and all proposals received as a result of this Request for Proposals, or to negotiate separately with any party in any manner necessary to serve the best interests of the Legislature

C. Proposals will be received and considered in accordance with Minnesota Statutes 2013, Section 13.591, subdivision 3, Business as Vendor, paragraph (b) which provides as follows:

“(b) Data submitted by a business to a government entity in response to a request for proposal, as defined in section 16C.02, subdivision 12, are private or nonpublic until the time and date specified in the solicitation that proposals are due, at which time the name of the responder becomes public. All other data in a responder's response to a request for proposal are private or nonpublic data until completion of the evaluation process. For purposes of this section, "completion of the evaluation process" means that the government entity has completed negotiating the contract with the selected vendor. After a government entity has completed the evaluation process, all remaining data submitted by all responders are public with the exception of trade secret data as defined and classified in section 13.37. A statement by a responder that submitted data are copyrighted or otherwise protected does not prevent public access to the data contained in the response.

If all responses to a request for proposal are rejected prior to completion of the evaluation process, all data, other than the names of the responders, remain private or nonpublic until a resolicitation of the requests for proposal results in completion of the evaluation process or a determination is made to abandon the purchase. If the rejection occurs after the completion of the evaluation process, the data remain public. If a resolicitation of proposals does not occur within one year of the proposal opening date, the remaining data become public.”

D. The Commission reserves the right to require any party to make an oral presentation of its proposal to the LCC to permit a better understanding of the specifics of an entity’s proposal.

E. The Commission is not responsible for any cost incurred by the respondent in responding to this Request for Proposals.

F. Payment for any contract entered into as a result of the Request for Proposals will be made upon completion of audit and receipt of final report and final invoice accompanied with appropriate verification of work time. In accordance with Minnesota Statutes 3.225, subdivision

REQUEST FOR PROPOSALS
Financial Audit of the Legislative Coordinating Commission

6, paragraph (b), no more than 90 percent of the amount due under the contract may be paid until the Commission's authorized agent has certified that the contractor has satisfactorily fulfilled the terms of the contract.

G. All contractors and subcontractors must conform to the labor laws of the State of Minnesota, and to all other laws, ordinances and legal requirements affecting the work in this state. The contractors must conform with and agree to the provisions of Minnesota Statutes, Section 181.59, which prohibits discrimination in the hiring of labor by reason of race, creed, or color. That statute reads as follows:

**181.59 DISCRIMINATION ON ACCOUNT OF RACE, CREED OR
COLOR PROHIBITED IN CONTRACT.**

Every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees:

- (1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates;
- (2) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or present the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color
- (3) That a violation of this section is a misdemeanor; and
- (4) That this contract may be cancelled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

H. In accordance with Minnesota Statutes, section 176.182, the contractor must provide to the Commission acceptable evidence of compliance with the worker's compensation insurance coverage requirement of Minnesota Statutes, section 176.181, subdivision 2.

I. If the amount of this contract exceeds \$100,000 and the contractor has employed more than 40 full-time employees in this state or in the state in which the contractor has its primary place of business on a single working day in the 12 months immediately preceding the due date

REQUEST FOR PROPOSALS
Financial Audit of the Legislative Coordinating Commission

for the proposal, the contractor must comply with the affirmative action plan requirements of Minnesota Statutes, section 363A.36, as follows:

- (a) If the 40 full-time employees were employed in Minnesota, contractor must, prior to submission of the proposal, either have a certificate of compliance issued by Minnesota Commissioner of Human Rights or that commissioner must have received from the contractor an application for such a certificate. Prior to signing a contract resulting from a successful proposal, the contractor must have the certificate of compliance.
- (b) If the contractor did not have more than 40 full-time employees in Minnesota but did have that number in another state in which the contractor has its primary place of business, the contractor must, prior to signing a contract resulting from a successful proposal, either have a certificate of compliance issued by the Minnesota Commissioner of Human Rights or certify that the contractor is in compliance with federal affirmative action requirements.

Minnesota Statutes, section 363A.036 and Minnesota Rules, parts 5000.3400 to 5000.3600 are hereby incorporated into this Request for Proposals and will be incorporated into any resulting contract, by reference.

J. As required by Minnesota Statutes, section 270C.65 subdivision 3, a contractor must provide to the LCC either its federal taxpayer identification number or its Social Security number and its Minnesota tax identification number (if applicable). This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require contractor to file state tax returns and pay delinquent state tax liabilities. This contract will not be approved unless these numbers are provided. These numbers will be available to federal and state tax authorities and state personnel involved in approving the contract and the payment and audit of state obligations. These numbers will not be made available to any other person without the express written permission of the consultant.

K. The contractor certifies its compliance with Minnesota Statutes chapter 3, specifically with the provision of MS 3.225 and MS 3.226, in the execution and performance of this agreement.

L.

M. The contractor must agree to comply with the Government Data Practices Act, Minnesota Statutes, chapter 13, as it applies to all data provided by the Commission in accordance with this agreement and as it applies to all data created, gathered, generated, or acquired in accordance with this agreement.

All work product and interim and final reports prepared by the contractor in the performance of its obligations under this agreement are the property of the Commission and must be remitted to the Commission upon completion or termination of this agreement. The contractor must not use, willingly allow the use of, or cause to have the materials used for any purpose other than

REQUEST FOR PROPOSALS
Financial Audit of the Legislative Coordinating Commission

performance of the obligations under this agreement without the prior written consent of the Commission.

N. Work would begin within the timeframe set in the signed contract between the Commission and the consultant. The signed contract will terminate upon full performance by both parties of the contract agreement.

O. This contract may be terminated by the Commission as permitted under Minnesota Statutes 3.225, subdivision 6, in whole or in part, whenever the LCC determines that termination is in the interest of the LCC. The LCC will pay all reasonable costs associated with this contract that the contractor has incurred up to the termination date of the contract and all reasonable costs associated with termination of the contract.

**LEGISLATIVE COORDINATING COMMISSION
STATE OF MINNESOTA
SAMPLE CONTRACT**

THIS AGREEMENT is made this _____ day of _____, 2019, by and between the Minnesota Legislative Coordinating Commission (the LCC), and _____, a corporation organized and existing under the laws of the State of _____, with address of _____, _____ (the Contractor).

The parties agree as follows:

1. The LCC, acting by and through the Chair of the LCC or the LCC Director, has duly requested proposals for audit services, more fully described in the Request for Proposals; consisting of the General Terms and Conditions, Special Conditions, and Specifications; a copy of which is attached to and made a part of this contract. The LCC did not issue addenda to the Request for Proposals (or did issue addenda as follows).
2. The Contractor has submitted a signed proposal dated _____, 2019, to provide the goods or services in consideration of the payments set forth in the proposal, a copy of which proposal is attached to, and made a part of this contract.
3. The LCC has duly accepted the Contractor's proposal. The LCC and the Contractor agree that there were no irregularities in the request for proposal or in the proposal, or agree that any such irregularities have been or are hereby waived.
4. The Contractor, in consideration of the payment of the price set forth in the proposal, agrees to provide the goods or services to the satisfaction in every respect of the LCC, within the time specified, all in accordance with the terms of this contract.

CONTRACTOR

MINNESOTA LEGISLATIVE
COORDINATING COMMISSION

By _____

By _____

Title _____

Title LCC Chair

By _____

Title LCC Director

PROPOSAL FORM

Minnesota Legislative Coordinating Commission
Financial Audit for Fiscal Year 2019

Name of Contractor:

We hereby propose to provide a financial audit of the Minnesota Legislative Coordinating Commission for Fiscal Year 2019 in accordance with the Request for Proposals to which this form was attached for the prices set forth in the attached Submitter's Statement of Qualifications, subject to a maximum total price, including travel and other out-of-pocket costs, but not including sales tax, of:

\$ _____

Federal Employer I.D. No. Or SSN: _____

Minnesota Tax I.D. No. (If applicable): _____

If this contract will be in excess of \$100,000, each submitter that has more than 40 full-time employees at any time within the previous 12 months must include with their proposal a certificate of compliance with Minnesota Statutes, section 363.073, which requires such a state contractor to have an affirmative action plan for employment of minority persons, women, and the disabled approved by the Minnesota Commissioner of Human Rights. Please attach a copy of the certificate, unless you indicate here the reason that you are exempt from the requirement. If the submitter does not have a certificate of compliance at the time of the submission of the proposal, the submitter may instead include in the proposals a statement that the submitter has applied for such a certificate; in that case, the submitter must obtain a certificate prior to execution of the contract.

(Reason for exemption, if any):

If you or this contract is not exempt and do not now have a certificate of compliance, please indicate the date upon which you have submitted an application for one _____.

As explained in the General Terms and Conditions, the proposal must indicate whether the submitter is a sole proprietorship, corporation, partnership, limited liability company, or other type of entity, and if other than a sole proprietorship, must indicate the state under whose laws the submitter exists.

REQUEST FOR PROPOSALS
Financial Audit of the Legislative Coordinating Commission

Type of business entity: _____

State under whose laws the entity
operates (if other than a sole proprietorship): _____

Name of Contractor: _____

Signature: _____

Name of Person Signing: _____

Title: _____

Date: _____

A completed Submitter's Statement of Qualifications (see next page) must be provided with each proposal form.

FORM OF SUBMITTER'S STATEMENT OF QUALIFICATIONS

MANAGEMENT SUMMARY

Provide a narrative description of the proposed effort.

WORK PLAN

Describe in narrative form your technical plan for accomplishing the work. Indicate the number of person-hours you have allocated to each task.

PRIOR EXPERIENCE

Describe your relevant experience, including experience in related governmental financial and compliance auditing. Experience shown should be work done by individuals who will be assigned to this project as well as work done by your company. Projects referred to should be identified and the name of the customer shown, including the name, address, and phone number of the responsible official of the customer who may be contacted.

PERSONNEL

Indicate the number and type of executive and professional personnel who will be employed in the work. Include education and experience related to governmental financial and compliance auditing.

COST AND PRICE ANALYSIS

The information requested in this part is required to support the reasonableness of your quotation and is intended for internal LCC use only. Use the following format:

- A. Personnel Costs - Itemize so as to show the following for each category of personnel with different rate per hour:
 - 1. Category; e.g., partner, manager, senior accountant
 - 2. Estimated hours
 - 3. Rate per hour
 - 4. Total cost for each category and personnel needs
- B. Cost of supplies and materials - (Itemize)
- C. Indirect Costs - (Itemize and show basis)
- D. Travel and subsistence costs - (Show travel and per diem separately)