



**Dena' Nena' Henash, dba  
Tanana Chiefs Conference**

**Request For Proposal  
For Audit and Compliance Services**

**INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:**

**Name: Brian Ridley**  
**Title: Chief Financial Officer**  
**Entity: Tanana Chiefs Conference**  
**Address: 122 First Avenue, Suite 600**  
**Fairbanks, AK 99701**  
**Phone: (907) 452-8251 Extension 3159**

Tanana Chiefs Conference is accepting proposals from accounting firms to provide financial and compliance audit services for our organization. We invite your firm to submit a proposal to us by Friday 5:00 P.M. August 27, 2010 for consideration.

Tanana Chiefs Conference is a tribally owned consortium incorporated as a 501(c)(3). TCC engages in health and other services for the Interior region of Alaska. Funding sources come from state and federal grants and patient and multiple self-generated program revenues. The organization has a September 30 fiscal year end.

Your proposal is expected to cover the following services:

1. Annual financial statement audit.
2. Compliance audit for state and federal programs.

Should your organization be interested in submitting a proposal, please contact:

Brian Ridley  
Chief Financial Officer  
Tanana Chiefs Conference  
122 First Avenue, Suite 600  
Fairbanks, AK 99701  
(907) 452-8251 Extension 3159  
brian.ridley@tananachiefs.org

## REQUEST FOR PROPOSAL (RFP)

**Issue Date July 21, 2010**

Tanana Chiefs Conference requests qualified independent certified public accountants to submit proposals to enter into a contract to perform financial and compliance audits for a period of five (5) consecutive years beginning with fiscal year ending September 30, 2010 and ending with fiscal year September 30, 2014.

**Sealed proposals will be received until 5 P.M. on August 27, 2010.**

An optional pre-proposal conference will be held on August 20, 2010 at 2 P.M. at 122 First Avenue, Suite 600, Fairbanks, AK 99701. Inquiries for information should be in writing and addressed to Brian Ridley.

The proposal should be mailed or delivered directly to:

Brian Ridley  
Chief Financial Officer  
Tanana Chiefs Conference  
122 First Avenue, Suite 600  
Fairbanks, AK 99701

or

Louise Chikigak  
Deputy Financial Officer  
Tanana Chiefs Conference  
122 First Avenue, Suite 600  
Fairbanks, AK 99701

**Offer and Agreement:**

In compliance with this request for proposal and to all the conditions imposed herein, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Title \_\_\_\_\_

Firm \_\_\_\_\_

Street \_\_\_\_\_ Phone and Fax \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

## **TANANA CHIEFS CONFERENCE REQUEST FOR PROPOSAL**

### **I. PURPOSE:**

The purpose and intent of this request for proposal (RFP) is to enter into a contract with a qualified independent certified public accountant (hereinafter called the "Auditor") to perform a financial and compliance audit of Tanana Chiefs Conference (TCC) for the fiscal year(s) ended September 30, 2010 through September 30, 2014.

### **II. OPTIONAL PRE-PROPOSAL CONFERENCE:**

An optional pre-proposal conference will be held at 2 P.M. on August 20, 2010 at Tanana Chiefs Conference, 122 First Avenue, Suite 600, 6<sup>th</sup> Floor Conference Room, Fairbanks, AK 99701. The purpose of this conference is to allow potential candidates an opportunity to present questions and obtain clarification relative to any facet of this solicitation. Any changes that may be made as a result of this conference will be noted in an addendum to the request for proposals.

### **III. SCOPE OF WORK TO BE PERFORMED:**

A. Financial audit - The Auditor shall audit all funds and account groups of TCC in accordance with Generally Accepted Auditing Standards, applicable pronouncements of Governmental Accounting Standards Board (GASB) and pronouncements of the Financial Accounting Standards Board (FASB) applicable provisions of the U.S. Office of Management, pertaining to non-profit corporations, Bureau of Indian Affairs, Indian Health Services, and any specific standards required by Grantors of TCC.

B. The audit shall result in the release and approval of financial statements from the audited records of TCC with the Auditor's opinion thereon. The Auditor should note that TCC utilizes the fund method of accounting whereby revenue and expenses are recognized on the accrual basis and compared to various grant budgets. The Auditor's opinion shall be expressed in the report and include reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion. In addition to the release and approval of the combined financial statements, statements shall be released and approved for the federal and state single audits.

C. The Auditor shall also express an opinion as to the fair presentation of the combining, individual fund, and individual account group financial statements in conformity with auditing standards generally accepted. The Auditor is required to provide an "in-relation-to" (Budget to Actual grant funds) report on the supporting and supplemental schedules based upon the audit of the financial statements.

D. In connection with the audit of the financial statements, the Auditor shall perform tests of compliance in accordance with Generally Accepted Accounting Standards, GASB, and FASB pronouncements; and other applicable standards.

E. In connection with the audit of the financial statements, the Auditor shall perform tests of internal controls in accordance with Generally Accepted Auditing Standards and applicable OMB Circulars; the tests of internal controls should also include controls as they relate to Client (Patient) Funds and the validation of such funds that should be reported in the financial statements. Client (Patient) Funds include social security payments, disability payments, etc. that are made to TCC on behalf of clients and/or patients.

**F. Submission of reports:** The firm shall provide TCC with copies of the financial statements and Auditor's report thereon and management letter including management responses no later than January 31, 2011. The Auditor will present the audit findings and reports to the Budget and Audit Committee. The Auditor should submit a management letter including management's response with each audit. The letter should offer suggestions for improvement in financial management and internal controls.

**G. State and Federal Requirements:** The Auditor should provide the following information for use by state and federal agencies. This information should be reported as supplemental information in the financial statements.

1. The Auditor shall include in the audit report a schedule of the budget to actual for each state grant.
2. The Auditor also shall express an opinion as to the fair presentation of state and federal reporting requirements.
3. In connection with the state and federal single audited financial statements, the Auditor shall perform tests of internal controls and compliance in accordance with Generally Accepted Auditing Standards and applicable OMB Circulars.
4. The state and federal single audit reports shall include the Auditor's opinion thereon.

H. As guided by AICPA Auditing Standards Board Statement on Auditing Standards, the Auditor should exercise due professional care in understanding the type of engagement and also requiring that if during the audit the Auditor becomes aware that TCC is subject to audit requirements which may not be encompassed in the terms of the engagement the Auditor should communicate to management and the Budget and Audit Committee or others with equivalent authority and responsibility that the audit may not satisfy the requirements.

#### **IV. REPORTING REQUIREMENTS:**

##### **A. Required Reports:**

Based on the audit work performed, the Auditor must issue the following reports.

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on the internal control structure based on the Auditor's understanding of the control structure and assessment of control risk. The Auditor shall

- communicate all reportable conditions found during the audit in a separate letter to management.
3. A report on the internal control structure used in administering state and federal assistance programs. The Auditor shall communicate all weaknesses, which could have a material effect on a state or federal assistance program in the letter to management. Other conditions discovered by the Auditor shall also be reported in the letter to management.
  4. Auditing Standards: The Auditor shall communicate all instances of non-compliance, which could have a material effect on the general purpose financial statements.
  5. A report on compliance with specific requirements applicable to major state and federal assistance programs. The Auditor shall communicate all instances of noncompliance with the specific requirements for major state or federal assistance programs in the report on compliance.
  6. A report disclosing the status of findings and recommendations from previous audits that has remained uncorrected should be included.
  7. Auditors shall be required to make an immediate written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the Budget and Audit Committee, Chief Financial Officer, and the Deputy Financial Officer.
    - a) **Draft Financials:** TCC shall have drafts of the financial statements available for review by the Auditor sixty (60) days after start of audit. TCC is responsible for preparation, editing, and printing of the financial statements.
    - b) **Report Preparation:** The Auditor is responsible for the report preparation in regards to audited financial statements and single audit reports. Corrections or recommendations of the financial statements prepared by TCC shall be the responsibility of the Auditor.

## **V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR:**

A. **Books of Account:** TCC represents that the books of account will be fully balanced, all subsidiary ledgers reconciled to control accounts, and all bank accounts for all months reconciled no later than November 12th.

B. **Schedules:** The staff of TCC will prepare the following information on forms acceptable to the Auditor.

1. A final trial balance of each fund;
2. A final trial balance of each subsidiary ledger;
3. A schedule of federal program revenues, expenditures, and beginning and ending balances by program;
4. A copy of the final budget presented to the Board for the audit period, the original budget for the audit period, and all amendments to the budget;

5. A copy of all capital projects and all amendments thereto for all projects beginning during the period or not fully completed prior to the period;
6. A schedule of insurance in force during the year and of insurance expense for the year;
7. A schedule of investments of all funds at statement date showing both book value and estimated market value at statement date;
8. A schedule of all capital outlays during the period;
9. A schedule of all capital asset additions/dispositions during the period;
10. A schedule of accounts payable at statement date;
11. Reconciliation of the final quarter's fringe benefit tax returns;
12. Copies of all contracts with governmental grantor or grantee agencies;
13. Copies of all other contracts in force at statement date of a material amount; and
14. Such reasonable additional schedules as may be requested for financial audits.

**C. Other Assistance:** The staff of TCC and responsible management personnel will be available during the audit to assist the firm by providing information and explanation.

## **VI. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:**

### **A. GENERAL REQUIREMENTS:**

#### **1. RFP Response:**

In order to be considered for selection, candidates must submit a complete response to this RFP. An **original**, so marked, **and 3 copies**, of your proposal must be submitted to TCC. Submit proposals in a sealed, opaque envelope, and put the RFP number, title, due date and time on the outside of the envelope. Electronic or facsimile submission of proposals is not acceptable and any such proposals will not be considered. Nothing herein is intended to exclude any responsible candidate or in any way restrain or restrict competition. All responsible candidates are encouraged to submit proposals.

#### **2. Proposal Preparation:**

- a. Proposals shall be signed by an authorized representative of the candidate. By signing this bid proposal, the candidate certifies that it will remain in full compliance with state or federal labor laws.
- b. All information requested must be submitted. Failure to submit all information requested may result in TCC requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. TCC may reject proposals that are substantially incomplete or lack key information.
- c. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
- d. Each copy of the proposal should be bound in a single volume where practical. All documentation submitted with the proposal should be bound in that single volume. The proposal package should be clearly marked as: **“Proposal – Audit Services”**.

e. Ownership of all data, materials, and documentation originated and prepared for TCC pursuant to the RFP shall belong exclusively to TCC and be subject to public inspection.

### **3. Oral Presentation:**

Candidates who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the TCC Budget and Audit Committee. This will provide an opportunity for the candidate to clarify or elaborate on the proposal but will in no way change the original proposal. TCC will schedule the time and location of these presentations. Oral presentations are an option of TCC and may not be conducted; therefore, proposals should be complete.

## **B. SPECIFIC REQUIREMENTS:**

Proposals should be as thorough and detailed as possible so that TCC may properly evaluate the candidate's capabilities to provide the required services. The proposal should include:

- a. History of the firm, including number of years in business, and size of firm.
- b. A statement by the prospective Auditor of their understanding of the work to be done, including specific reference to the provisions in the Scope section of this RFP with descriptions of the audit approach.
- c. The approximate date the audit will begin (including preliminary fieldwork) and end, as well as approximate dates for the release of the financial statements and/or Auditor's reports.
- d. Biographies including experience, education, professional designation, and professional affiliations of the individuals who will be assigned to the engagement. Also include relevant experience of each in auditing state and federal grants, patient billings, BIA, and IHS funding.
- e. The firm will provide adequate supervision on a day-to-day basis and ensure that the resulting work papers shall be adequate and shall be available for routine review by appropriate auditors of the federal and state governments.

## **VII. FEES:**

Fees for compliance and audit services will be negotiated. The fee will be in the form of a fixed contract price. If out-of-scope services are to be needed to fulfill the compliance and audit services, a separate engagement letter with detailed additional services including a budget will be required and will need approval from the Chief Financial Officer before these services are to begin.

## **VIII. EVALUATION AND AWARD CRITERIA:**

### **A. EVALUATION CRITERIA:**

Selection criteria will include the following:

1. The skill, experience, and training of the specified persons who will be performing the services requested.

2. The Auditor's understanding of TCC's system of accounting obtained through prior experience or discussion with appropriate TCC officials.
3. The prior experience and reputation of the Auditor in auditing nonprofit, BIA, and IHS units similar to TCC.
4. Ability to complete the audit and release the financial statements and Auditor's reports by the required deadline.

**B. AWARD:**

The selection process will be in accordance with fair competitive standards. TCC shall engage in individual discussions with two or more candidates deemed fully qualified, responsible, and suitable on the basis of initial responses and with emphasis on professional competence to provide the required services. Repetitive informal interviews shall be permissible. Such candidates shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the audit. This RFP is not, however, requesting that candidates furnish estimates of work hours or cost for services. At the discussion stage, TCC may discuss non-binding estimates of total costs. Proprietary information from competing candidates shall not be disclosed to the public or to competitors. At the conclusion of the discussion, on the basis of the selection criteria listed in this RFP and all information developed in the selection process to this point, TCC shall select in order of preference two or more candidates whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the candidate ranked first. If a contract satisfactory and advantageous to TCC can be negotiated at a price considered fair and reasonable, the award shall be made to that candidate. Otherwise, negotiations with the candidate ranked first shall be formally terminated and negotiations conducted with the candidate ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should TCC determine in writing and at its sole discretion that only one candidate is fully qualified, or that one candidate is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that candidate.

**IX. GENERAL TERMS AND CONDITIONS:**

**A. Clarification of Terms:**

If any prospective candidate has questions about the specifications or other solicitation documents, the prospective candidate should contact in writing, the contract officer whose name appears on the face of the solicitation, no later than five days before the due date. Any revisions to the solicitation will be made only by addendum issued by the contract officer.

**B. Payment Terms:**

Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. However, this shall not affect offers of discounts for payment in less than 30 days.

**C. Invoices:**

Invoices for services ordered, delivered, and accepted shall be submitted by the contractor to the attention of the Chief Financial Officer or Deputy Financial Officer and mailed or delivered to TCC at the main address indicated.

**D. Default:**

In case of failure to deliver goods or services in accordance with the contract terms and conditions, after due oral or written notice, TCC may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which TCC may have.

**E. Assignment of Contract:**

A contract shall not be assignable by the contractor in whole or in part without the written consent of TCC.

**F. Debarment Status:**

By submitting their proposal, all candidates certify that they are not currently debarred from submitting proposals on contracts by any organization receiving federal funds, nor are they an agent of any person or entity that is currently debarred from submitting proposals to organizations receiving federal funds.

**G. Applicable Law and Courts:**

Any contract resulting from this solicitation shall be governed in all respects by the laws of the State of Alaska and any litigation with respect thereto shall be brought in the courts of the State of Alaska at Fairbanks. The contractor shall comply with applicable federal, state, and local laws and regulations.

**H. Qualifications of Candidates:**

TCC may make such reasonable investigations as deemed proper and necessary to determine the ability of the candidate to perform the work and the candidate shall furnish to TCC all such information and data for this purpose as may be requested. TCC reserves the right to inspect candidate's physical facilities regarding the candidate's capabilities. TCC further reserves the right to reject any proposal if the evidence submitted by or investigations of such candidate fails to satisfy TCC that such candidate is properly qualified to carry out the obligations of the contract and to complete the work contemplated herein.

**I. Ethics in Public Contracting:**

By submitting their proposals, all candidates certify that: (1) their proposals are made without collusion or fraud; (2) they have not offered or received any kickbacks or inducements from any other candidate, supplier, manufacturer, or subcontractor in connection with their proposal; and (3) they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present, or promised, unless consideration of substantially equal or greater value was exchanged.

**X. SPECIAL CONDITIONS:**

**A. OWNERSHIP OF MATERIAL:**

Ownership of all data, material, and documentation originated and prepared for TCC pursuant to the RFP shall belong exclusively to TCC and be subject to public viewing.

**B. PROPOSAL ACCEPTANCE PERIOD:**

This proposal shall be binding upon the candidate for 60 calendar days following the proposal opening date. Any bid or proposal on which the candidate shortens the acceptance period may be rejected.

**C. WORK PAPERS:**

The Auditor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment. TCC, its authorized agents, and/or state or federal auditors shall have full access to and the right to examine any of said materials during said period.

**D. CANCELLATION OF CONTRACT:**

TCC reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty upon 60 days written notice to the contractor. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

**E. EXTENSION OF CONTRACT:**

This contract may be extended by TCC upon written agreement of both parties for one year)/(five successive one year periods), under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration.

**F. CHANGES TO THE CONTRACT:**

TCC may order changes within the general scope of the contract at any time by written notice to the Auditor. The Auditor shall be compensated for any additional costs incurred as the result of such order and shall give TCC a credit for any savings. Said compensation shall be determined by mutual agreement between the parties in writing. However, if out-of-scope services are to be needed to fulfill the compliance and audit services, a separate engagement letter with detailed additional services including a budget will be required and will need approval from the Chief Financial Officer before these services are to begin.

**XI. METHOD OF PAYMENT:**

Interim billings shall not exceed 80% of the total fee. The Budget and Audit Committee will approve final payment upon approval of the report.