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# **University of California Hastings College of the Law**

## **REQUEST FOR PROPOSAL #56-0170**

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***FOR***

***Audit Services***

***Date Issued: January 8, 2016***

***Due: January 29, 2016  
No later than 5:00 p.m.***



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It is the Bidder's responsibility to read the entire document, any addendums and to comply with all requirements listed herein. Any addenda to this Request for Proposal will be available to all participating Bidders and posted on University of California Hastings College of the Law's Purchasing website at:

<http://sites.uchastings.edu/purchasing/current-bids-20152016/>

It is the Bidder's responsibility to monitor this website for any addenda, notices, or changes to the RFP or process.

**Issued By:** University of California Hastings College of the Law

**On behalf of:** **UC Hastings College of the Law Board of Directors**  
**c/o: Chief Financial Officer**  
**Controller**  
200 McAllister Street  
San Francisco, CA 94102

**RFP Administrator:** Purchasing Department  
200 McAllister Street  
San Francisco, CA 94102  
[purchasing@uchastings.edu](mailto:purchasing@uchastings.edu)

The information contained in this Request for Proposal (RFP) is confidential and proprietary to the University of California Hastings College of the Law and is to be used by the recipient solely for the purpose of responding to this RFP.



## General Information

UC Hastings College of the Law was founded in 1878 as the “law department” of the University of California. The College is an instrumentality of the State of California and has its own Board of Directors, operating independently of the Board of Regents of the University of California. The College is the oldest public law school in California and the only stand-alone, public law school in the nation. The College’s fund raising entity is the UC Hastings Foundation, a 501(c)(3) organization. The Foundation is discreetly presented as a component unit in the College’s annual financial statements.

The College has an enrollment of approximately 970 FTE students for its Doctorate of Jurisprudence (JD), Masters of Laws (LL.M) and Master of Studies in Law (MSL) degrees. UC Hastings is accredited by the American Bar Association, Western Association of Schools and Colleges (WASC) and is a charter member of the American Association of Law Schools (AALS).

### Response Submission:

One signed response must be received by the Purchasing Department no later than **5:00 p.m. (Pacific Time) on Friday, January 29, 2016**. Late bids will not be accepted. Responses are to be sent via email.

Bids must be signed by a company officer authorized to make commitments on behalf of the bidding firm. The submission of a signed response will confirm understanding and acceptance of all requirements, terms, and conditions of the RFP.

Bids responses must be submitted by bidders directly to **UCH Purchasing**. The response submitted should have all audit services proposal requirements, statement of qualifications answers, and pricing.

**Submit via email to:** [purchasing@uchastings.edu](mailto:purchasing@uchastings.edu)

### Evaluation and Award:

An experienced and knowledgeable Auditor Selection Committee has been formed and delegated the authority to evaluate responses and present to the Board of Directors a contract recommendation representing the best interests of the college.

The college’s committee will:

- Review and rank written responses;
- Interview and rank finalist(s);
- Review pricing proposals of finalist(s);
- Negotiate a contract with the firm best suited for the college,
- Recommend contract award to the Board of Directors.



## Background

1. UC Hastings owns and operates three auxiliary units: the 395-stall UC Hastings Parking Garage with ground floor retail, a 252-unit apartment building, the Business Center and Student Health Services Center.
2. UC Hastings complies with the financial reporting standards required under GASB (Governmental Accounting Standards Board) and maintains its general ledger/chart of accounts using the fund accounting model.

UC Hastings uses Ellucian's Colleague accounting and student software package including the Financials (CF), Academic Records and Financial Aid modules. The general ledger module includes budget support and interfaces with the following modules: accounts payable, accounts receivable, cash receipts, purchasing, fixed assets, pooled investment, financial aid, and registration.

UC Hastings contracts with the University of California, Office of the President to perform investment management and payroll functions; UC Hastings is responsible for filing all required payroll tax forms.

3. The UC Hastings Campus currently consists of four primary structures and one undeveloped parcel of land.
  - A. 100 McAllister Street, McAllister Tower - A 28-story tower, constructed in 1928, primarily serves as student housing with 252 units and also contains academic research centers, clinics, offices, and recreational facilities for the College.
  - B. 198 McAllister Street, Snodgrass Hall - A 4-story structure, constructed in 1953, with a second, the Annex, constructed in 1970, contains 83% of UC Hastings classrooms and lecture halls. The Annex contains the Louis B. Mayer multipurpose room, the largest indoor gathering space on campus, the Gold Reading Room, the Moot Court, and various faculty administrative offices.
  - C. 200 McAllister Street, Kane Hall - A 6-story structure constructed in 1980 and renovated in 2007. It houses many of the campus' faculty and administrative offices, the main library, cafeteria, meeting rooms, and student support functions.
  - D. 376 Larkin Street, Garage and Retail - A 7-story parking structure, constructed in 2010, has 395 parking spaces to meet student, faculty, staff, and public parking needs. It also houses approximately 13,000 square feet of retail lease space.
  - E. 333 Golden Gate Avenue - A 12,000 square foot vacant lot, located between the parking garage and 200 McAllister Street (currently under development).
4. **Appendix III** contains a list of typical items and schedules prepared by UC Hastings in preparation of the year-end audit. Most of these schedules are ready for the auditors upon their arrival for the yearend fieldwork. Periodically, adjusting entries are presented by the College subsequent to the issuance of the preliminary statements; however it is Management's goal to keep these to a minimum.

5. A high-level three-year summary of the College financial information is depicted in the table below.

**Condensed Statement of Net Position – 2015, 2014, and 2013 (in thousands)**

	College	Foundation	2015 Total	2014 Total	2013 Total
<b>ASSETS:</b>					
Current Assets	\$ 18,685	\$ 80	\$ 18,765	\$ 17,592	\$ 16,987
Noncurrent Assets	184,997	554	185,551	184,810	176,139
Total assets	\$ 203,682	\$ 634	\$ 204,316	\$ 202,402	\$ 193,126
Deferred outflows of resources	11,603		11,603	8,127	11,873
Total assets and deferred outflows of resources	\$ 215,285	\$ 634	\$ 215,919	\$ 210,529	\$ 204,999
<b>LIABILITIES:</b>					
Current Liabilities	\$ 8,635		\$ 8,635	\$ 8,456	\$ 8,085
Noncurrent Liabilities	60,783		60,783	55,236	66,111
Total liabilities	\$ 69,418		\$ 69,418	\$ 63,692	\$ 74,196
Deferred inflows of resources	14,231		14,231	18,342	11,225
<b>TOTAL NET POSITION:</b>					
Net Investment in Capital					
Assets	\$ 68,763		\$ 68,763	\$ 70,234	\$ 71,944
Restricted:					
Nonexpendable	21,946	\$ 179	22,125	21,044	19,638
Expendable	27,980	301	28,281	28,043	23,950
Unrestricted	12,947	154	13,101	9,173	4,046
Total net position	\$131,636	\$ 634	\$ 132,270	\$ 128,495	\$ 119,578
Total liabilities, deferred inflows of resources and net position	\$ 215,285	\$ 634	\$ 215,919	\$ 210,529	\$ 204,999

6. Attached find:
- Timeline for the 2014-15 (**Appendix III 2015 Audit Schedule**) year-end audit and can be used as a reference point for future audits. This timeline is based upon the fall Finance Committee special meeting being held the last week of October.
  - Annual Audited Financial Statements for 2013, 2014 and 2015 (Attachments 4, 5, and 6)
7. The Board of Directors of UC Hastings College of the Law reserves the right to reject any and all proposals.

8. The Board of Directors may elect to direct the auditors to conduct special audits. In such an event, the cost of such services will be considered separate from the base contract value for which the price will be separately negotiated.



## Audit Services Proposal

### General Instructions:

- Answer, the following “Proposal” items
  - Answer the “Statement of Qualification Questions” (SOQ) (see following section, pg. 7)
  - Prepare your proposal in the same order as presented in the RFP
  - Complete the Pricing Proposal form – submit as a separate file
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1. Include an executive summary not to exceed one page indicating why your firm should be selected.
  2. Your response to this request must also include a complete response to the Statement of Qualifications (SOQ – see next section).
  3. Discuss your firm’s independence with respect to the UC Hastings College of the Law.
  4. Discuss your firm’s staff rotation policy, including partner rotation.
  5. Discuss the general scope of the audit along with the firm’s approach to planning for the audit and executing the audit fieldwork. Include the firm’s internal control assessment process and discuss the use of technology used to streamline the efficiency of the audit. If applicable, discuss the use of the use of any association or affiliate member firm personnel.
  6. Discuss how your firm works to resolve disagreements with management.
  7. Include a copy of your firm’s most recent peer review report, the related letter of comments and the firm’s response to the letter of comments.



## Statement of Qualifications (SOQ)

*Answer the following SOQ items in order.*

1. Describe your firm relative to others. What are the strengths of your firm and your firm's philosophy? Discuss any additional value UC Hastings can expect from your firm, other than the traditional historical comparison and compliance review.
2. Identify the office responsible for this engagement. Indicate how many staff work in this office and how many clients are served by this office.
3. Identify the partner and manager tentatively assigned to this engagement. Include a current resume along with a description of their relevant related service. Also, discuss how long these employees have been with the firm and their A-133 audit fieldwork experience. Feel free to include information about the lead staff person if their relevant qualifications and skills will add to the quality of the engagement. Finally, please indicate how many engagements this partner will oversee in conjunction with the UC Hastings Audit.
4. Based on your firm's staff depth and turnover experiences, estimate the turnover rate UC Hastings can expect in the staff assigned to this engagement over the next three years. Additionally, describe how UC Hastings can expect your firm to prepare newly assigned staff to our engagement to ensure the impact of staff turnover to the College is minimal.
5. Discuss your firm's policies on staff professional development and education in higher education and federal audits. Describe staff training programs currently used for this purpose.
6. Discuss the emerging accounting issues and other operational concerns facing the higher education industry. How will your firm assist UC Hastings in addressing these matters? For example, describe how your firm can assist UC Hastings with the implementation of GASB 72, Fair Value Measurement and Application. Further, discuss how UC Hastings can rely upon your firm to keep us current with changes occurring in governmental accounting and provide us with comprehensive implementation plans.
7. Discuss what UC Hastings can expect of the service level from your firm when the hours budgeted for the engagement is estimated. Further, please breakdown the hours assigned to each staff person to work on the engagement, including partner hours.
8. Provide a list of GASB and higher education clients your firm has audited in the past three years. Include the amount of time your firm served these clients along with names of individual contacts of these clients.



9. Discuss the impact to the College the transition to a new firm will have and indicate how your firm will facilitate this transition. Also, discuss your firm's approach to "start-up" costs, unanticipated events or other costs.
10. Discuss any professional publications, workshops, webinars or other online training your firm can provide UC Hastings related to government accounting standards and the higher education industry.

## APPENDIX

### I. RFP Timeline

Date	Milestone
January 8, 2016	RFP issued.
January 15, 2016	Questions due to <a href="mailto:purchasing@uchastings.edu">purchasing@uchastings.edu</a>
January 20, 2016	Answers will be provided
January 29, 2016	RESPONSES DUE to: <a href="mailto:purchasing@uchastings.edu">purchasing@uchastings.edu</a>
February 1 - 3, 2016	Auditor Selection Committee reviews and ranks responses and develops a short list
February 5 & 8, 2016	Selected firm(s) make service presentations to the Auditor Selection Committee
February 10, 2016	Auditor Selection Committee makes a recommendation and forwards it to the Audit Subcommittee and Finance Committee for approval
February 11, 2016	Finance and Audit Subcommittee reviews recommendation and forwards it to the Board of Directors for their approval
March 4, 2016	Board of Directors meeting (approval of contract recommendation)

Email correspondence: [purchasing@uchastings.edu](mailto:purchasing@uchastings.edu)

Physical address: UC Hastings College of the Law  
200 McAllister Street  
San Francisco, CA 94102

## II. Sample of the College's Service Agreement



### SAMPLE AGREEMENT

#### AGREEMENT BY AND BETWEEN

UNIVERSITY OF CALIFORNIA  
HASTINGS COLLEGE OF THE LAW

AND

\_\_\_\_\_

THIS AGREEMENT ("Agreement"), made and entered into as of \_\_\_ by and between Hastings College of the Law, hereinafter called "Hastings", and \_\_\_, hereinafter called "Consultant", is for providing consultant services to Hastings as follows:

#### I. SCOPE OF SERVICE RENDERED

Hastings hereby retains the Consultant to perform the following professional services:

#### II. TERM OF AGREEMENT

The term of this Agreement shall be from \_\_\_ to \_\_\_ or until completion of the Services are to the satisfaction of Hastings, or unless terminated by the occurrence of any one or more of the following, whichever is sooner:

- A. Completion of the performance of the Services, which will be performed during regular business hours; or

- B. Receipt by Consultant of Hastings's written notice of its intent to terminate this Agreement within ten (10) days, which termination may be for any reason or no reason, in Hastings's sole discretion; or
- C. Within twenty-four (24) hours of written notice to Consultant at any time in the event the Services are not being performed to Hastings' satisfaction and otherwise in accordance with this Agreement.

The parties acknowledge and agree that this Agreement is a so-called "at will" Independent Consultant relationship, terminable upon written notice by Hastings. Upon expiration or termination of this Agreement for any reason, Consultant shall not have any executory obligations to Hastings; and Consultant shall be entitled only to such compensation as shall have accrued to Consultant for fees or expenses actually incurred by Consultant for completed and accepted Work provided up to but not including the effective date of termination.

### III. COMPENSATION

The cost of Services shall be a lump sum not exceed

Hastings agrees to standard, typical and reasonable reimbursable expenses not to exceed.

### IV. CHANGES IN THE WORK

In its sole and absolute discretion, Hastings may order changes in the scope of the services, or Hastings may order additional services outside the scope of service. Consultant shall not make any change in the work or be entitled to any adjustment of Contract Term or Compensation except as provided in a written Change Order or Addendum to this Agreement signed by Hastings.

### V. PAYMENT

Hastings will pay Consultant monthly upon receipt of itemized billing invoices. The charges for reimbursable expenses will include copies of itemized receipts supporting the expenses.

All invoices will reflect Consultant's taxpayer identification number and Consultant's license number addressed to:

David Seward  
Chief Financial Officer  
University of California  
Hastings College of the Law  
200 McAllister Street  
San Francisco, CA 94102  
(415) 565-4710

### VI. TERMINATION CLAUSE

In the event Consultant fails to carry out or comply with any of the terms and conditions of this Agreement, Hastings reserves the right to demand correction of any breach or default within ten (10) days of notice to Consultant. In the event Consultant fails to correct the failure or default within the specified period, Hastings may terminate the Agreement without additional notice. Failure to terminate this Agreement is not to be deemed a waiver of the breach or default.

## VII. EXAMINATION OF RECORDS

Hastings and auditors of the State of California shall have access to and the right to examine and audit any books, documents and papers and/or records of Consultant involving transactions related to this Agreement for a period of three (3) years following its termination. These documents must contain adequate justification of the charges made to Hastings.

## VIII. COORDINATION

Consultant, in performing services described herein, will coordinate and report to:

University of California  
Hastings College of the Law  
200 McAllister Street  
San Francisco, CA 94102  
(415)

Consultant is to immediately inform \_\_\_ (or designee) of any unusual conditions or events that relate to, or may affect, the work to be performed under this Agreement. Consultant agrees to meet on a regular basis with \_\_\_ to review the progress of the work to be performed by Consultant and any unanticipated problems or issues.

## IX. SERVICE PERFORMANCE SCHEDULE

It is understood that time is of the essence of this Agreement and Consultant is bound by all of the time limits imposed by virtue of this Agreement. Consultant agrees to the following service performance schedule:

The Services to be performed under this Agreement shall commence upon written authorization to proceed and be substantially completed within the time frame established between Hastings and Consultant.

## X. INSURANCE AND INDEMNIFICATION

Hastings and the State of California shall not be liable for any accident, loss, injury (including death) or damages, happening or occurring during the performance of this Agreement, to persons and/or property, caused in whole or in part by the intentional or negligent acts or omissions of Consultant, and Consultant will fully indemnify and protect Hastings and the State of California from and against same. In addition to the liability imposed by law upon Consultant for damage or injury (including death) to persons or property by reasons of intentional or negligent acts or omissions of Consultant, his/her agents, servants, or employees, which liability is not impaired or otherwise affected hereby, Consultant hereby assumes liability for and agrees to hold Hastings and the State of California harmless and indemnify Hastings for any expense, liability, or payment by reason of any damage or injury (including death) to persons or property suffered or claimed to have suffered through any intentional or negligent acts or omissions of Consultant, its subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors.

Consultant will maintain in force at all times during the term of this Agreement, Workers' Compensation (statutory limits) in the amount of \$500,000; and Employer's Liability, Comprehensive General Liability with bodily injury limits and property damage limits of \$1,000,000 each occurrence and in the aggregate; and Auto Liability in the amount of \$500,000 and Professional Liability in the amount of \$1,000,000 subject to a deductible of \$25,000. Such insurance policies shall name Hastings as an additional insured and provide for notification to Hastings thirty (30) days prior to termination or restrictive amendment. Consultant shall furnish a Certificate of Insurance to Hastings as evidence of the required coverage. All

insurance required under this Agreement is to be provided by carriers with a Best rating of A-10 or better. Carriers must also be California admitted companies listed as such by the Insurance Commissioner for the State of California.

#### XI. EXCUSABLE DELAY

Consultant shall not be held responsible for delays in the performance of this Agreement caused by strikes, lockouts, labor disturbances, acts of government, acts of nature (e.g. earthquake) or other causes similar to the foregoing which are beyond the control of and are not the fault of Consultant. Provided, however, that Consultant shall, within five (5) days after the occurrence of cause or causes of delay, request an extension of time from David Seward. Such request shall be in writing and shall state in detail the reasons for the delay, which will prevent timely performance. If Hastings finds that such cause or causes of delay exist, it may either grant Consultant an extension of time equal to the delay resulting from such cause or causes, or, at its option, terminate this Agreement.

#### XII. APPLICABLE LAW

All pertinent laws of the State of California shall govern this Agreement and become a part hereof.

#### XIII. ENFORCEMENT OF AGREEMENT

Any controversy or claim arising out of or relating to this Agreement, or a breach thereof, shall be settled by final and binding arbitration in San Francisco, California, under the auspices of the American Arbitration Association, in accordance with the Commercial Arbitration rules. Judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction. Any provisional remedy, which would be available from a court of law, shall be available from the arbitrator, to the parties of this Agreement pending arbitration.

The arbitrator shall determine which is the prevailing party and shall award that party its costs and fees. Costs and fees mean all reasonable pre-award expenses of arbitration, including the arbitrator's fees, administrative fees, witness fees and attorneys' fees.

#### XIV. NOTIFICATION

All notices required or permitted under this Agreement shall be in writing and may be served by depositing the same in the United States mail, postage prepaid and registered, and addressed to the parties at the addresses set forth below, or to such other address as either party may designate in writing from time to time.

If to UC Hastings:

If to Consultant:

David Seward, CFO  
University of California  
Hastings College of the Law  
200 McAllister Street  
San Francisco, CA 94102

Any change of address of Consultant shall immediately be communicated in writing to Hastings.

#### XV. NONDISCRIMINATION

During the performance of this Agreement, Consultant shall not discriminate unlawfully against any employee or applicant for employment on the basis of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (cancer-related or genetics), marital status, age, sex or sexual orientation.

XVI. DRUG-FREE WORKPLACE CERTIFICATION

Consultant certifies compliance with Government Code 8355 by signing and incorporating the attached Drug Free Workplace Certification Exhibit into the Agreement.

XVII. W-9 Form

As required by Hastings, Consultant must complete a W-9 form attached hereto and shall be submitted together with this Agreement for full execution.

XVIII. CONFLICT OF INTEREST

Consultant will not hire any employee of Hastings to perform any service covered by this Agreement.

Consultant affirms that to the best of Consultant's knowledge, there exists no actual or potential conflict between Consultant's family, business or financial interests and the services under this Agreement and in the event of any change in such circumstances will inform Hastings of any questions regarding possible conflicts of interest that may arise as a result of such change in circumstances.

XX. NON-ASSIGNMENT

This Agreement is not assignable or delegable by either party.

XXI. NON-RESPONSIBILITY OF THE REGENTS

The Regents of the University of California, a public corporation, is not a party to nor is it financially responsible under this Agreement.

XXII. ENTIRE AGREEMENT

This Agreement and the exhibits hereto, constitute the entire agreement between the parties and no party shall be liable or bound to the other in any manner except as set forth in this Agreement.

Dated: \_\_\_\_\_, 2016  
UNIVERSITY OF CALIFORNIA  
UC HASTINGS COLLEGE OF THE LAW

Dated: \_\_\_\_\_, 2016  
(Consultant)

By: \_\_\_\_\_  
David Seward  
Chief Financial Officer

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Approved As To Form:  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Elise K. Traynum  
General Counsel

### **III. Typical Items & Schedules Provided by Hastings for the Year-end Audit**

See separately attached PDFs:

- Appendix III 2015 INTERIM PBC
- Appendix III 2015 YEAR-END PBC
- Appendix III 2015 Audit Schedule (Guideline)