

**OKLAHOMA CAPITOL IMPROVEMENT AUTHORITY
INVITATION TO BID FOR EXTERNAL AUDITING SERVICES**

The Oklahoma Capitol Improvement Authority (“OCIA” or the “Authority”) is seeking proposals from individuals or firms to provide an independent audit of the financial statements of the Authority as of and for the year ended June 30, 2015 and for each subsequent year in the contract period. Audit services will be provided for fiscal year ending June 30, 2015, with four one-year annual renewal options available thereafter.

The Authority was created in 1959 by Title 73 O.S. §§151 *et seq.*, as amended, to construct, acquire and finance buildings and other facilities for departments and agencies of the State of Oklahoma. As of December 1, 2014, OCIA has twenty-seven (27) series of bonds outstanding with an aggregate outstanding principal amount of approximately \$1,046,935,000. Two (2) of these bond issues have construction funds from which projects are being funded. It is anticipated that one or more new money bonds will be issued prior to the end of fiscal year 2015. Prior to October 1, 2005, personnel of the Oklahoma Department of Central Services (“DCS”) managed the affairs of the Authority under an informal arrangement. Financial affairs of OCIA, including accounting and preparation of a comprehensive annual financial report (“CAFR”) were handled by DCS and the Office of State Finance (“OSF”). As of October 1, 2005, OCIA is being managed by dedicated OMES (Office of Management and Enterprise Services) personnel.

Beginning in fiscal year 2006, an audit of OCIA records was required by statute (Title 70, Oklahoma Statutes 2005 Supplement, §3980.10) to be conducted by an independent certified public accountant. By law, the audit must be issued within one hundred twenty (120) days of fiscal year end. Per 74 O.S. § 212A. 2, the auditor will file the audit with the State Auditor & Inspector and pay the required filing fee.

The selected individual or firm must be an independent certified public accountant (CPA) or CPA firm of recognized ability and significant experience in governmental auditing. This accountant or firm shall conduct the audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. It is further required that the audit report of the financial statements, including an expression of an opinion and a report on internal controls, be completed prior to the last business day of October in order for the Authority to meet financial statement reporting guidelines to the Governor’s office as established by State statute.

The successful bidder will be required to retain all work papers and other records relative to this contract for the duration of the contract term and for a period of five years following completion and/or termination of the contract. If an audit, litigation, or other action involving such records is started before the end of the five year period, the records are required to be maintained for five years from the date that all issues arising out of the actions are resolved or until the end of the five year retention period, whichever is later.

No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the bid and/or the resultant contract. All modifications to the bid/contract shall be agreed to in writing.

INSTRUCTIONS FOR PREPARING BIDS

There will not be a request for proposals for this audit. This letter will serve as an invitation to bid. In connection with this invitation to bid, interested firms should limit their contact with the Authority by communicating with Mr. Travis Monroe, OCIA Administrator, at (405) 522-8519. Attempts to solicit information related to this invitation to bid from any other member or employee of the Authority may be grounds for disqualification.

In an effort to clarify any issues with this bid, OCIA staff will respond only to questions that are presented through email in a Microsoft Word document. Questions should be submitted to Travis Monroe, Administrator at travis.monroe@omes.ok.gov. These questions will be consolidated into a single Q&A document.

All questions must be received by **4:30 p.m. Central Time on January 30, 2015**. The Q&A document will be posted on the OCIA website (www.ok.gov/DCS/OCIA)

Submission Responses

Upon receipt of the invitation to bid, firms wishing to bid on the audit should submit bids in the form of a letter to the OCIA. All bids should specifically address the following topics:

1. State name of firm submitting the bid, the primary address, telephone and fax numbers, and the name and title of the person who will serve as key contact person for the firm with respect to the bid, and who is submitting the bid as an authorized representative of the firm.
2. Describe your firm's organization, size, structure, and stability of the firm; identify the key officers and/or management of the firm; provide a list of office locations, including number of employees in Oklahoma offices.
3. Identify the staff member(s) who will be assigned or who will assume substantive and ongoing roles in the engagement; describe each member's responsibilities, indicating whether primary or secondary, and include their qualifications and relevant experience. (Those representatives [liaison] should be present if your firm is selected for an interview.)
4. Provide evidence of good standing for principal auditor (copy of annual permit card issued by the Oklahoma Accountancy Board for principal partner or the manager to be assigned to the OCIA engagement). Additionally, the responding CPA or firm should be on the Oklahoma Accountancy Board's approved governmental auditors list.
5. Provide a copy of the firm's most recent peer review report, including any letter of comments, as required by *Government Auditing Standards*.
6. Provide a statement of understanding of the scope of services to be performed and required completion date of the audit report, and the nature of governmental auditing experience the firm possesses to make it uniquely qualified.
7. Provide number of hours estimated to complete the audit; hourly billing rates for all staff to be assigned to this engagement; and the total estimated not-to-exceed cost of the audit for the first year of this contract as well as the four years included in the annual renewal option. Although there is no commitment on OCIA's part for the subsequent years, these will be considered in reviewing and selecting the best value. This estimate should be based on the representations of assistance to be

provided by the Authority's professional staff within this invitation to bid, as well as the experience of the personnel expected to perform this audit.

8. Provide projected scheduling dates for performing preliminary and final fieldwork.
9. Provide completed non-collusion certification (Attachment #1).
10. Provide at least five (5) references for the firm and individual staff members identified in item 3 (above) representing their experience with work performed by the firm since 2010. Include the names and titles of principal contact persons and their current telephone numbers.
11. Provide a signed Professional Services Contract Certification (Attachment #2).
12. In accordance with 74 O.S. § 85.40, all travel expenses to be incurred by the vendor that are part of the service for the contract shall be included in the total bid price/contract amount.
13. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the bid and/or the resultant contract. All modifications to the bid/contract shall be agreed to in writing.

General Terms and Conditions

Applicable Law and Courts – This solicitation and any resulting contract shall be governed in all respects by the laws of the State of Oklahoma, and any litigation with respect thereto shall be brought in the District Court of Oklahoma County, Oklahoma. The auditing firm shall comply with all applicable federal, state and local laws, rules and regulations.

Limitation of Liability, Hold Harmless Clauses and Indemnity – The State of Oklahoma and its agencies are constitutionally barred from limiting the liability of a private vendor. Agencies are similarly prohibited from holding a private entity harmless from liability or providing indemnity to a private entity. The contract between the successful auditing firm and OCIA will not have any such terms.

Contract Termination –

- For Default – Consistent failure by the vendor to respond to or to meet its obligations under this contract may place the vendor in default and subject to cancellation of the purchase order. In the event the contractor fails to meet the terms and conditions of this contract or fails to provide services in accordance with the provisions of the contract, OCIA at its sole discretion, may withhold payments claimed by the contractor or cancel this contract by written notice of default to the contractor. Cancellation due to default shall not be an exclusive remedy, but shall be in addition to any other rights and remedies provided for by law. In the event a Notice of Cancellation is issued, the Contractor shall have the right to request a review of such decision as provided by the rules and regulations promulgated by the Office of Management Enterprise and Services, Central Purchasing.
- For Convenience – This contract shall be in force until the expiration date, or until 30 days after written notice has been given by either party of its desire to cancel without cause. Notification of cancellation shall be by certified mail to the business address of record. In the event this contract is canceled by either party, OCIA shall be responsible for reimbursement for goods or services received or provided prior to cancellation date. OCIA shall not be

responsible for reimbursement of unreasonable or unnecessary expenditures incurred after receipt of the cancellation notice.

Unavailability of Funding – In the event state or federal funds used to support this contract become unavailable, either in full or in part, due to reduction in appropriations, OCIA may terminate or reduce the contract upon notice in writing to the Contractor by certified mail. OCIA shall be the final authority as to the availability of funds. The effective date of such contract termination or reduction shall be specified in the notice. In the event of a reduction, the Contractor may cancel this contract as of the effective date of the proposed reduction upon advance written notice to OCIA.

Other Terms and Conditions

Once the firms have been ranked based on the criteria listed above, contract negotiations will commence. If negotiations cannot be concluded to the Authority's satisfaction, then negotiations with succeeding firms may be considered. In connection with this invitation to bid, the Authority reserves the right to:

1. Cancel this solicitation;
2. Reject any or all bids;
3. Request additional information from individuals or firms prior to final selection;
4. Select any bid which, in the Authority's judgment, will best meet the Authority's needs, regardless of any potential differences in estimated costs between the firm's bid and all other bids;
5. Negotiate a contract for services from selected parts of a bid;
5. Dismiss or reassign the firm's designated representative or liaison; and
6. Waive any technicalities and make any award(s) that the Authority determines is in its best interest.

Submission Procedures

Firms must submit an original and four (4) copies, 5 total copies of their bid. The responses should be concise and on single-sided pages (8 1/2 x 11" with no appendices). The bids must be addressed to the attention of Mr. Travis Monroe, OCIA, Administrator, and submitted by 3:00 p.m., Central Standard Time, February 20, 2015. Bids are to be submitted to:

Oklahoma Capitol Improvement Authority
2401 North Lincoln Blvd., Suite 116
Oklahoma City, OK 73152-3488

Bids may be hand delivered to the reception desk of OMES Central Purchasing Division (2401 North Lincoln Blvd., Suite 116) or mailed (delivery by fax will not be accepted). No bids will be accepted after the time indicated or at any other location. Bids received after the deadline will be stamped regarding time and date of receipt and returned unopened. Bids will be opened immediately after the closing deadline. No compensation shall be paid to the firms for the cost of submitting a bid.

BASIS FOR SELECTION

After review of the bids received, interviews may occur as deemed necessary by the Authority's Secretary and management staff. The Authority will make awards, if any, to the firm that gives the Authority the most effective combination of qualifications, understanding of the services requested, experience, assurances and availability of key personnel, benefits to the Authority, and other criteria as determined by the Authority. The Authority's Committee will review the bids with management staff assistance.

SCHEDULE OF EVENTS

The Authority intends to use the following schedule of events (dates represent the approximate dates by which tasks will be completed and are subject to change) for the solicitation, selection and award of external auditing services:

| Date of Completion | Description of Event |
|---|---|
| January 30, 2015 4:30pm | Deadline for receipt of questions to be included in Q&A |
| February 6, 2015 | Publication of Q&A if necessary (OCIA and OCP websites) |
| February 20, 2015 3:00pm | Deadline for receipt of bids |
| March 2015 | Interview of bidders – if necessary |
| Subsequent Board Meeting - April or May | Afternoon-Inform successful bidder |
| September 2015 (on or about) | Preliminary fieldwork can begin for successful bidder |

COMPLIANCE:

Bidder shall furnish a statement in writing on the bid or by attached letter and in the Vendors Statement below if his proposal strictly meets these specifications. If not, he shall list each variation there from.

VENDORS STATEMENT: (BID PROPOSED COMPLIES:) YES: _____ NO: _____

COMPANY: _____ DATE: _____

SIGNATURE: _____ PHONE: _____

ADDRESS: _____