

Financial Affairs
Richard H. Hinds, Chief Financial Officer

SUBJECT: REQUEST FOR AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSAL (RFP) TO REVIEW THE ACCOUNTS PAYABLE OPERATIONS

The purpose of this RFP is to select an audit services provider that can perform an accounts payable audit to identify possible payment errors and/or credits owed by district suppliers. This type of audit is performed to ensure that our current internal controls are still effective, and to recover funds owed by our suppliers, if any. As part of the audit requirements, a comprehensive narrative report will be provided detailing any weaknesses within the accounts payable system, and recommendations to improve controls.

The audit will be performed on a contingency basis, where the provider earns only a percentage of the recovered funds, if any. Once an incorrect payment is identified and approved by the district as a valid collection, the audit provider will be responsible for all recovery efforts and costs. The audit provider would only receive payment after the supplier in question has reimbursed the district.

Engaging a professional accounts payable audit provider to identify payment errors and recover such amounts has become standard procedure with most major business entities. Since there is no up front cost, this type of audit is preferred where internal audit resources are fully committed, and to avoid costly internal collection efforts. The RFP and comprehensive narrative report will be submitted to the Audit Committee for review.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to advertise and distribute a Request for Proposal to obtain accounts payable audit services, approve the appointment of the Selection Committee to review the proposals, including a Board Member designated by the Chair, and to present a recommendation to the Superintendent for recommendation to the Board.

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**REQUEST FOR PROPOSAL
ACCOUNTS PAYABLE REVIEW**

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
OFFICE OF THE CONTROLLER**

August, 1999

G-12

REQUEST FOR PROPOSAL (RFP) ACCOUNTS PAYABLE REVIEW

A. RFP REQUESTER

The School Board of Miami-Dade County, Florida
Office of the Controller
1450 N.E. 2nd Avenue, Suite 664
Miami, FL 33132

B. GENERAL INFORMATION

Miami-Dade County Public Schools (M-DCPS), the fourth largest school district in the United States, is seeking an audit services provider to perform an accounts payable audit to identify payment errors to the district's suppliers. The objective of such an audit is to identify and recover incorrect payments, while making recommendations with the express intent in preventing similar errors from occurring again. The M-DCPS Accounts Payable Department generates more than \$900,000,000 in payments on an annual basis.

C. REQUIREMENTS FROM PROPOSERS

Proposers must meet the following requirements and be ready to start audit proceedings upon acceptance by The School Board of Dade County, Florida:

1. Audit the district's accounts payable disbursement records and identify payment errors or any inappropriate activities. M-DCPS must be provided with a comprehensive audit report, which includes, but is not limited to audit findings and supporting documentation, recommendations, and recovery results if any.
2. The audit will be performed on a contingency basis in which the selected proposer will earn a percentage of recovered funds. The selected proposer will be responsible for validating and recovering any overpayment, discovered as the result of the audit, with the district's approval. The subject percentage recovery fee will be paid to the proposer within 45 days from the date the delinquent balance is received by M-DCPS. All recovery payments shall be payable and submitted, by district suppliers, directly to M-DCPS.
3. Audit shall be completed within a period not to exceed 120 days from start of audit, unless written permission is obtained from M-DCPS to extend the audit.

D. TERMS OF CONTRACT

The School Board, by law, must reserve the right to cancel the contract at the end of the of the contract term, as well as in the event the services rendered do not comply with the provisions of the proposal and/or the quality of services is found undesirable. The proposer shall comply with all municipal, state, and federal statutes prohibiting discrimination. The proposer shall, at all times, comply with local, state, or national standards for the provision of services, whichever is more stringent. The Board shall have the right to cancel the agreement for unacceptable performance at any time, giving the other party thirty (30) days prior notice.

E. REQUIRED INFORMATION TO BE SUBMITTED BY PROPOSER

Proposer must submit information listed below, as well as other information specified elsewhere in this RFP.

1. Proposer's recovery fee structure and recovery procedures/arrangement.
2. List of relevant experience within the last three years in the audits of school districts and/or other government entities that can be used by M-DCPS as a source of reference.
3. General audit scope/time-frame, including number of personnel involved, and resources required from M-DCPS
4. Any other information or additional service/incentive that can be used by M-DCPS in the RFP comparison and award process.
5. The signature of the authorized person empowered to submit this proposal.

F. EVALUATION OF PROPOSALS

Proposals will be evaluated by representatives of the school district in order to ascertain which proposal best meets the need of the district. The evaluation of the proposals will be made on or about October 11, 1999, by a committee consisting of the following members:

- An administrator from the Office of the Controller
- An administrator from the Accounts Payable Department
- A representative from Internal Audits
- A representative from the Office of Information Technology
- A representative from the Division of Procurement Management
- A Board Member as designated by School Board Chair

Evaluation considerations will include, but are not limited to the following:

1. Responsiveness of the proposal, clearly stating an understanding of the work to be performed and meeting all the guidelines.
2. Expertise in accounts payable audits/recoveries, and the ability to respond in timely, accurate manner to the district's requirements.
3. The type, kind, and usefulness of reports generated from this type of audit.
4. Price structure, associated cost, and/or percentage of revenue generated.
5. The school district reserves the right to reject any and all proposals submitted. No debriefing or discussion will be held with unsuccessful proposers.

G. AFFIRMATIVE ACTION REQUIREMENTS AND M/WBE PARTICIPATION

1. Equal Employment Opportunity

It is the policy of the School Board that no person will be denied access, employment training, or promotion on the basis of gender, race, color, religion, ethnic, or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, or disability, and that merit principles will be followed.

Each proposer shall be required to indicate its equal employment policy and provide a detailed breakdown by ethnicity, gender, and occupational categories of its work force.

2. Minority/Women Business Enterprise (M/WBE) Participation

The School Board of Miami-Dade County, Florida, has an active Minority/Women Business Enterprise Program to affirmatively increase the level of Minority/Women Business Enterprise participation to the maximum percentage of total annual expenditures. In order to achieve its assistance levels, the Board provides the maximum opportunity for Minority/Women Business Enterprise participation.

In keeping with this policy, each proposer will be required to state its Minority/Women Business Enterprise utilization. If a minority firm, which is a woman-owned and operated, or African American owned and operated, is utilized in conjunction with the scope of work, the proposer is to indicate the scope of the minority proposer's work, experience in this type of required service, and experience of staff participating.

All Minority/Women firms must be certified by the Division of Business Development and Assistance prior to contract award.

3. M/WBE Documentation Requirements

A quarterly report documenting efforts undertaken by the proposer to maintain the stipulated M/WBE participation will be required. The report shall include the names of firms, contact persons and expenditures paid to date. The report shall be submitted to the Director, Division of Business Development and Assistance, 1450 N.E. 2nd Avenue, Room 456, Miami, Florida 33132.

H. **PROOF OF PROFESSIONAL LIABILITY INSURANCE REQUIREMENTS**

The successful proposer, if selected for this RFP, shall agree to provide proof of Professional Liability Insurance and to the following language:

The proposer shall hold harmless, indemnify and defend indemnitees (as hereinafter defined) against any claim, action, loss, damage, injury, liability, but not by way of limitation, attorney's fees and court costs arising out of bodily injury to persons including death, or damage to tangible property arising out of or incidental to the performance of this Contract (including goods and services provided thereto) by or on behalf of the proposer, excluding only the sole negligence of culpability of the indemnitee. The following shall be deemed to be indemnitees: The School Board of Miami-Dade County, Florida, and its members, officers and employees.

I. **PROOF OF INSURANCE COVERAGE REQUIREMENTS**

At the time an award is made, the successful proposer shall be responsible for providing the School Board with certificates of insurance which indicate that insurance coverage has been obtained and meets the requirements as outlined below:

1. Workers' Compensation Insurance for all employees of the proposer as required pursuant to the provisions of Section 440, Florida Statutes.
2. Commercial General Insurance on a comprehensive basis in an amount not less than \$300,000 combined single limit per occurrence. The School Board of Miami-Dade County, Florida, its employees and agents must be listed as an additional insured on the policy.
3. Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with the work as outlined in this RFP, in an amount not less than \$300,000 combined single limit per occurrence for bodily injury and property damage liability.

4. Proof of Professional Liability (e.g., medical malpractice) Insurance in the name of the proposer, with limits of liability not less than \$1,000,000 per wrongful act.

All certificates of insurance submitted must be issued by companies authorized to conduct business under the laws of the State of Florida, with an A.M. Best rating (most currently published) must be no less than 'B + ' as to management, and no less than 'Class V' as to financial strength. Certificates shall indicate no modification in insurance be made within thirty (30) days advanced written notice to the additional named insured or certificate holder.

J. IMPLEMENTATION SCHEDULE

The planned schedule for implementation of proposals is as follows:

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| • Request Board Approval to issue RFP | August 25, 1999 |
| • Procurement Contract Review Committee | August 30, 1999 |
| • Mailing of Request for Proposal | September 6, 1999 |
| • Opening of Proposals | September 30, 1999 |
| • Evaluation Completed by Selection Committee | October 11, 1999 |
| • Recommended to School Board for Approval | November 17, 1999 |

K. ADDITIONAL INFORMATION

The following individual should be contacted for any additional information with respect to this Request for Proposals:

Mr. Leo Fernandez, Director
Cost and Business Services
Miami-Dade County Public Schools
1450 N.E. 2nd Avenue, Room 664
Miami, Florida 33132
(305) 995-2001

Any additional information regarding proposal procedures may be obtained from:

Ms. Barbara McCants, Supervisor
Bureau of Procurement and Materials Management
Miami-Dade County Public Schools
1450 N.E. 2nd Avenue, Room 356
Miami, Florida 33132
(305) 995-2348

Attachment B

ACCOUNTS PAYABLE REVIEW RFP EVALUATION COMMITTEE

- An administrator from the Office of the Controller
- An administrator from the Accounts Payable Department
- A representative from Internal Audits
- A representative from the Office of Information Technology
- A representative from the Division of Procurement Management
- A Board Member as selected by the Chair