



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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West Contra Costa Unified School District Request for Proposals

Board of Education Forensic Accounting Investigation

August 12, 2015

I. Introduction

The West Contra Costa Board of Education is seeking a firm with forensic accounting experience with school districts in the State of California that have bond programs to assist the Board in conducting a forensic accounting investigation of a complaint from a district employee about the operations, financial reporting and management of the District's bond-funded construction program. The Board plans to engage a firm that is independent of the West Contra Costa Unified School District and that has no prior work that could, in any way, be interpreted as a conflict of interest. The Board has established the Subcommittee for the Clay Investigation to oversee the forensic investigation.

II. Description of the Responsibilities and Deliverables

It is anticipated that the forensic accounting firm's engagement will have two phases. The first phase will end with the firm providing a fraud risk assessment of the District employee's complaint and recommendations to help the Board develop an appropriate scope for a forensic accounting investigation of the allegations. In the second phase the forensic accounting firm will investigate and provide the report of findings and recommendations of the forensic accounting investigation to the Board.

In phase one, the forensic accounting firm will complete the following:

1. Review the District employee's complaint (and supporting documentation) that alleges acts of gross mismanagement, negligence and malfeasance in the District's bond program: including the following areas:
 - a. Billing and performance of the District's outside construction manager;
 - b. Vendor contract administration and billing;
 - c. Budgeting practices;
 - d. Change order approval and accounting practices;
 - e. Adequacy of project accounting systems;
 - f. Adequacy of performance audits;
 - g. Conflict of interests; and
 - h. Compliance with legal requirements and Board policies.
2. Review the District employee's complaint to determine any overlap with the findings and recommendations in separate audit reports for Fiscal Years 2013 and 2014:, including
 - a. District's Audit Reports;
 - b. Bond Performance Audit Reports;

- c. Bond Financial Audit Reports; and
 - d. Bond Agreed-Upon Procedures (draft) for Fiscal Year 2014;
3. Provide the Board's Subcommittee for the Clay Investigation with a fraud risk assessment of the employee's complaint to identify highest risks of waste or improper expenditure and to provide guidance to the Board's Subcommittee in providing a scope for a forensic accounting investigation; and
 4. Develop a scope of work, not-to-exceed contract amount and timeline for completion of the forensic accounting investigation of high priority items for approval by the Board's Subcommittee for the Clay Investigation.

In phase two, and depending upon the findings of the fraud risk assessment, the forensic accounting firm will complete the following:

1. Conduct a forensic accounting investigation of items in an approved scope of work and provide progress reports to the Board's Subcommittee for the Clay Investigation;
2. Deliver a preliminary report of findings and recommendations directly to the Board's Subcommittee for the Clay Investigation; and,
3. Make a final report of findings and recommendations to the Board of Education at a regularly scheduled meeting.

III. Submittal Requirements

One electronic copy and four paper copies of the proposal are due to the Chair of the Subcommittee no later than Friday, September 4, 2015, by 4:00 PM. The electronic copy can be either Microsoft Word or on a PDF file and transmitted via e-mail to lizblock@comcast.net and lisa.leblanc@wccusd.net. Four paper copies must be mailed or delivered to Lisa LeBlanc, Associate Superintendent, West Contra Costa Unified School District, 1400 Marina Way South, Richmond, CA 94804. **Please note: submitted proposals will be considered public documents.** The Subcommittee for the Clay Investigation reserves the right to reject any or all proposals, whether or not minimum qualifications are met and to modify, postpone or cancel the RFP without liability, obligation, or commitment to any party, firm, or organization. In addition, the Subcommittee reserves the right to request and obtain additional information from any accountant, or firm submitting a proposal. A proposal risks being rejected for any of the following reasons:

- Proposal is received after designated time / date;
- Proposal does not contain the required elements, exhibits, or is not organized in the required format;
- Proposal that is not fully responsive to the RFP;
- Proposal that contains excess or extraneous material not called for in the RFP.

Required Elements and Format

1. Transmittal Letter
 - a. Addressed to Subcommittee Chair Liz Block, and
 - b. Signed by the accountant submitting the proposal.
2. Background Information

Provide a detailed résumé of each professional that will be dedicated to both phases of the engagement along with their respective title and hourly rate and pertinent background on the firm.

3. General Methodology and Approach
Provide a statement regarding your firm's general methodology and approach to conducting a fraud risk assessment and forensic accounting investigation. Include a statement of your proposed steps, utilization of the proposed staff, data analysis, fact development and method for completion of the assessment and investigation.
4. Relevant Experience
 - a. Describe overall experience in providing services to school districts and other governmental agencies;
 - b. Describe recent experience in forensic accounting and investigations in bond programs or school district finances under the requirements of California state law;
 - c. Describe recent experience in forensic data recovery
 - d. Describe recent experience in forensic accounting of public construction projects and demonstrate knowledge of industry benchmarking;
 - e. Describe recent experience in forensic accounting investigations of whistleblower complaints and,
 - f. Describe any additional experience that would help the Subcommittee understand the forensic accounting firm's background in these matters.
5. References
Three business related references, giving name, organization, address, telephone number, and relationship.
6. Proposed Time Commitment and Cost of Services
At this time, the Board requests a proposal that describes the amount of time and total compensation for phase one, only. Please include an explanation of the basis for the requested compensation for phase one. Based upon the outcome of the fraud risk assessment, the Board and firm will negotiate the compensation based on an approved scope of work for the forensic accounting investigation in phase two. However, you are requested to identify the professionals that will provide services for both phases of the engagement.

IV. Interview of Short-Listed Individual

1. It is anticipated that approximately five accountants / firms will be invited to interview. The selected individual(s) will be notified in writing. It is presently anticipated that the interviews will be conducted during the week of September 14-18, 2015 with a recommendation to the Board of Education at its meeting on September 30, 2015.
2. The interviews will last approximately 60 minutes, with the time allocated equally between the accountant's presentation and a question-and-answer period. The firm's representative should be a member of the proposed team and be prepared to discuss at the interview her/his specific experience providing services similar to those described in the RFP, project approach, available resources, and other pertinent areas that would distinguish her/him and her/his firm.

V. Selection Process

1. The completion of the interview process will result in the forensic accounting firms being numerically ranked. The firms ranked first and second will be invited to participate in contract negotiations. Should the district and the first or the second ranked forensic accounting firm not be able to reach an agreement as to contract terms within a reasonable timeframe, the Subcommittee Chair may terminate the negotiations and begin negotiations with the team that is next in line, and proceed down the list as necessary until an agreement is reached or the list is exhausted.
2. The contract amount (including reimbursables) shall be based on a approved hourly rates and a not-to-exceed amount, to be established based upon a mutually agreeable Scope of Services and Fee Schedule.

VI. Contract Award

1. Upon successful completion of the negotiations, a request by the Chair of the Subcommittee to the Board of Education will be made to authorize the award of the contract to the selected forensic accounting firm.
2. The selected accountant / firm will be required to maintain auditable records, documents, and papers for inspection by authorized local, state and federal representatives if required by appropriate authorities.

VII. Pre-Submittal Questions and Conference Call

On or before August 20, 2015, questions regarding the RFP may be made in writing and transmitted via e-mail to lizblock@comcast.net and lisa.leblanc@wccusd.net. **A conference call will be organized by the District on August 24, 2015 at 3 p.m (Pacific) to provide answers and clarification. Participation is not required.**