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**State of New Jersey**

**Department of Education**

100 Riverview Plaza, Trenton, New Jersey 08625-0500

Request for Proposal #26-003

**New Jersey Audit Firm to**

**Conduct a Forensic Audit of East Orange School District**

Issued on: Friday, September 19, 2025

Submission Date: Friday, October 3, 2025, at 4:00PM EST

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**COMPLIANCE AUDIT OF A LOCAL EDUCATIONAL AGENCY AUDIT**

# **1.0 PURPOSE AND INTENT**

This Request for Proposals (RFP) is issued by The State of New Jersey, New Jersey Department of Education (“NJDOE” or “the Department”) to solicit proposals from firms to conduct a forensic audit of Local Educational Agency (LEA), East Orange School District.

It is the intent of the Department to award a Contract to responsible Bidders whose Quotes, conforming to this Bid Solicitation are most advantageous to the State, price and other factors considered. The Department may award any or all price lines. The State, however, reserves the right to separately procure individual requirements that are the subject of the Contract during the Contract term, when deemed by the Director to be in the Department’s best interest.

The State of New Jersey Standard Terms and Conditions (SSTCs) included with this Bid Solicitation will apply to this contract. These terms are in addition to the terms and conditions set forth in this Bid Solicitation and should be read in conjunction with them unless the Bid Solicitation specifically indicates otherwise.

## **BACKGROUND**

The independent auditing process is fundamental in overseeing the management of public funds. The process ensures that school districts are setting appropriate financial policies, maintaining effective internal controls, operating efficiently, and that financial statements are free from material misstatements.

Boards of education and LEA management each have an important role in their respective financial reporting and Audit processes. School district leadership is responsible for the financial reporting process, internal controls as well as operating efficiently. It is also their responsibility to ensure that internal controls established by management are functioning and effective.

On January 13, 2008, the School Finance Reform Act (SFRA) of 2008, P.L.2007, c.260 was signed into law establishing a new system for the funding of public-school districts in New Jersey. The goal of the new formula is to create a fair, equitable, and predictable funding formula based on student characteristics, regardless of the community in which a student resides.

The SFRA also created *N.J.S.A.* 18A:7F-60 which states, “The Commissioner of Education shall not authorize the disbursement of funds to any district until the commissioner is satisfied that all educational expenditures in the district will be spent effectively and efficiently in order to enable students to achieve the core curriculum content standards. The commissioner shall be authorized to take any affirmative action as is necessary to ensure the effective and efficient expenditure of funds by school districts and county vocational school districts.”

In addition to *N.J.S.A.* 18A:7F-60 above, *N.J.S.A.* 18A:7A-60 grants the commissioner the authority to determine the efficiency of schools. *N.J.S.A.* 18A:7A-60 states:

1. In addition to the powers provided pursuant to P.L.2005, c.235 [C.18A:7A-53 et al.], P.L.1996, c.138 (C.18A:7F-1 et al.), and P.L.2007, c.260 (C.18A:7F-43 et al.) or any other law, the Commissioner of Education may appoint an external entity, in accordance with State procurement laws, to perform a compliance audit of the spending of the district’s general fund budget upon identification that the district may be spending State education funds for purposes that are not in compliance with State education law and regulation. The scope of the compliance audit shall be determined by the commissioner based upon the specific circumstances of the district.
2. The final report of a forensic audit conducted pursuant to subsection a. of this section shall include specific findings and recommendations, as applicable, and shall be submitted to the commissioner. The commissioner may use the audit report as evidence for the appointment of a State monitor pursuant to the provisions of subsection a. of section 2 of P.L.2006, c.15 (C.18A:7A-55).
3. The school district shall reimburse the Department of Education for the total cost of the compliance audit conducted pursuant to subsection a. of this section if the final audit report includes findings that the district has spent State education funds for purposes that are not in compliance with State education law and regulation.

Further, New Jersey State Regulations found at N.J.A.C. 6A:23A-5.1 provides the following: Order to show cause to withhold or recover State aid due to excessive, unreasonable, ineffective, or inefficient expenditures (a) If the Department identifies ineffective or inefficient expenditure(s) by a school district or CVSD, including, but not limited to, the practices prohibited in N.J.A.C. 6A:23A-5.2 through 5.9, the Commissioner shall provide, except as otherwise provided in (h) below, the school district or CVSD the opportunity to be heard as to why the amount of the ineffective or inefficient expenditure(s) shall not be withheld from State aid or refunded to the Department.

In order to ensure that the designated LEA can be serviced by the selected vendor, all vendors must have the minimum capacity to service the East Orange School District, on an ad-hoc basis and for work to be completed in a timely manner.

The Department is seeking an audit firm to perform a compliance audit of the designated LEA to ensure that the district is operating efficiently and within the parameters of both the SFRA and New Jersey regulations outlined above.

The forensic audit will center on conducting a comprehensive examination of the designated LEA to ensure that the LEA operates with fiscal integrity and transparency and funding is being used for intended purposes. The contractor will be tasked with conducting a thorough, evidence-based review of the designated LEA’s financial activity, including a detailed examination of controls, transactions, and supporting documentation.

This audit is intended to surface instances of noncompliance, inefficiency, or systemic weaknesses that may compromise the integrity of fiscal stewardship. This review shall also focus on opportunities for restructuring, or other opportunities to economize, within the district. Audit results will equip the Department with critical insights into the LEA’s financial management practices and support targeted oversight, corrective action, and governance improvements. The audit will also contribute directly to increasing the public’s confidence and support for education in the East Orange School District.

The purpose of this audit is to determine whether East Orange School District has administered state education funds in compliance with relevant statutes, regulations, and funding conditions—and to uncover any spending practices that warrant further review or remediation. Further, the review shall identify areas of expenditure, strategies the district may employ, or other actions that can improve the long-term fiscal outlook for the LEA.

The contractor shall perform a comprehensive evaluation of the LEA’s internal controls and transaction-level activity to assess its adherence to spending parameters, demonstrated conscientiousness of costs, and efficiency. The contractor shall conduct a comprehensive forensic audit of the East Orange School District, with a focus on uncovering misaligned, inefficient, or noncompliant uses of education funds. The audit shall involve an in-depth examination of financial records, supporting documentation, and expenditure protocols across core business functions. Particular attention will be paid to identifying patterns or decisions that may reflect fiscal risk, poor stewardship, or noncompliance.

Specific objectives of the audit shall include:

* Validate whether FY23-FY24 expenditures were used exclusively for allowable purposes, as defined by programmatic and statutory conditions.
* Identify spending patterns that may reflect duplicative, unnecessary, or excessive use of funds, resulting in lost efficiency or diminished programmatic value.
* Assess the strength and adequacy of financial controls, governance protocols, and oversight practices intended to safeguard public resources – especially surrounding payroll, budget projections, budget adjustments, and the use of restricted funds.
* Confirm that grant- and program-related spending aligns with approved objectives and conditions governing the use of funds.
* Examine financial documentation, reporting procedures, and communication with county and state agencies for completeness, accuracy, and compliance—particularly as they relate to the October 2024 RIF, budget submissions, and conflicting deficit projections.

## **1.2** **PROPOSAL SUBMISSION**

**Proposals must be submitted via email -** [vendorbids@doe.nj.gov](mailto:vendorbids@doe.nj.gov)

**Proposals must be received by 4:00 p.m. EST on October 3, 2025.**

In order to be considered to be awarded this contract, the Proposal must be marked “Forensic Audit for Designated Local Educational Agency” and received by the NJDOE at the appropriate location by the required time. The Date and Time are indicated on the cover page of the RFP and above. Any Proposal not received on time via e-mail, as indicated below, will be rejected. Submit Proposal via e-mail to [vendorbids@doe.nj.gov](mailto:vendorbids@doe.nj.gov) with the subject line: Forensic Audit for Designated Local Educational Agency”.

All Respondents must limit their Proposals to ten (10) single-sided pages or less, at no smaller than 12-point font.

Subsequent to Proposal submission, all information submitted by Respondents in response to the Proposal solicitation is considered public information, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law.

In the event that it becomes necessary to clarify or revise this RFP, such clarifications or revision will be by Addendum. Any Addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

## **1.3 NJSTART**

Bidders interested in doing business with the State must register in NJSTART, New Jersey’s eProcurement system. Registration is easy and takes only a few minutes. Visit [www.njstart.gov](http://www.njstart.gov/) and click on “Register” to start the process. Respondents to this RFP are strongly encouraged to visit the NJSTART Vendor Support Page, which contains Quick Reference Guides (QRGs), supporting videos, a glossary of NJSTART terms, and helpdesk contact information. The NJSTART Vendor Support Page is located at: <http://www.nj.gov/treasury/purchase/njstart/vendor.shtml>.

## **1.4** **ADDITIONAL INFORMATION**

The documents listed below must be completed prior to award: (Attached)

**Ownership Disclosure Form**

**Disclosure of Investigations and Actions Involving Bidder Form**

**Disclosure of Investment Activities in Iran Form**

**Source Disclosure Certification Form**

**MacBride Principles Certification Form**

**Vendor Certification and Political Contribution Disclosure Form**

**Two Year Chapter 51 / Executive Order 117 Vendor Certification and Disclosure of Political Contributions Form**

**Affirmative Action Supplement Form**

**Delegated Purchasing Authority Terms and Conditions**

NOTE: A copy of a valid New Jersey Business Registration must be submitted. If not already registered with the New Jersey Division of Revenue, registration can be completed online at the Division of Revenue website: <http://www.state.nj.us/treasury/revenue/index.html>

Bidders are urged to check the status of their New Jersey Business Registration.

# **2.0** **GENERAL DEFINITIONS/ACRONYMS**

**Addendum –** Written clarification or revision to this RFP issued by the New Jersey Department

of Education (NJDOE).

**All-Inclusive Rate –** The rate comprised of all direct and indirect costs including but not limited to: overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. The rate also includes portal-to-portal expenses as well as per diem expenses such as food.

**Bidder** – An individual or business entity submitting a Proposal in response to this RFP.

**Contract** – This RFP, any addendum to this RFP, and the bidder’s Proposal submitted in response to this RFP, as accepted by the State.

**Contractor (or Auditor)** – The CPA firm selected through this RFP to perform the Audit of an LEA.

**Director** – Director, Office of Budget & Accounting.

**Division** – The Division of Finance & Business Services.

**Evaluation Committee** – A Committee established by the Director assigned to review and evaluate Proposals submitted in response to this RFP and to recommend a contract award to the Executive Director.

**May** – Denotes that which is permissible, not mandatory.

**Project** – The undertaking or services that are the subject of this RFP.

**Request for Proposal (RFP)** – The document which establishes the response and contract requirements and solicits Proposals to meet the purchase needs of the State as identified herein.

**Respondent** – An individual or business entity submitting a Proposal in response to this RFP.

**Shall or Must** – Denotes that which is a mandatory requirement. Failure to meet a mandatory material requirement will result in the rejection of a Proposal as non-responsive.

**Should** – Denotes that which is recommended, not mandatory.

**State Contract Manager (SCM)** – State employee responsible for the approval of all deliverables and the main point of contact for the Contractor.

**Subtasks** – Detailed activities that comprise the actual performance of a task.

**State** – State of New Jersey.

**Subcontractor** – An entity having an arrangement with a State contractor, where the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the contractor's] obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

**Task** – A discrete unit of work to be performed.

## **2.1 CONTRACT-SPECIFIC DEFINITIONS/ACRONYMS**

**Audit –** Professional opinion on the financial transactions and business practices of the firm, agency, or entity identified in each Engagement. The Audit shall be conducted, and report written, in accordance with the document issued by the Comptroller General of the US entitled “Government Auditing Standards”, (last revised December 2011).

**Audit Working Papers (or Working Papers)** – The material that Auditors prepare or obtain and retain in connection with the performance of an Audit.

**Auditee –** A firm, agency, or entity to be Audited by a Contractor.

**Certified Public Accounting (CPA) –** A designation provided to licensed accounting professionals. The CPA license is provided by the Board of Accountancy for each state.

**Compact Disc (CD) –** A small plastic disc on which music or other digital information is stored, and from which the information can be read using reflected laser light.

**Conflict of Interest (COI) –** A certification that the Auditor has not worked personally for, or otherwise have a conflict with the Auditee.

**Cost Analysis –** The review and evaluation of each element of Contract cost to determine reasonableness, allocability, and allowability.

**Deliverables –** Items defined in the Scope of Work, Section 4.0, as products or proof of services rendered under this Contract.

**Engagement –** Awritten request for a Contractor to perform Audit services based on the scope of work given by the Department.

**Engagement Pricing –** A Contractor’s timely response to the Engagement including, but not limited to, technical response for the Engagement Pricing, price for the Engagement Pricing, and any other documentation required by the Engagement.

**Financial Viability Review –** A review performed by Certified Public Accountants to ascertain if an individual or entity has the financial capability to pay for necessary remediation or to reimburse the State for remediation operations performed.

**Generally Accepted Government Auditing Standards (GAGAS) –** The most recent revision of government Auditing standards issued by the comptroller general of the United States.

**Governmental Accounting Standards Board (GASB) –** An independent, non-political organization founded in 1984. The board's mission is to promote clear, consistent, transparent, and comparable financial reporting for state and local governments.

**Letter of Concurrence –** A letter signed by the Auditee indicating their agreement with the findings of an Audit.

**Local Education Agency (LEA) –** A school district; an entity which operates local public primary and secondary schools in the United States.

**New Jersey Department of Education (“NJDOE” or “the Department”) –** The State agency that administers State and federal aid Initiatives affecting more than 1.4 million public and non- public elementary and secondary school children in the state of New Jersey.

**Professional Skill Classifications** – Bidders and Contractors must associate each of their personnel assigned to their Contract with one of the following Professional Skill Classifications: Partners, Managers, Senior Accountants, or Staff Accountants. These classifications are associated with different hourly rates in the Price Sheet. They are a tool for pricing the Engagement work to be performed during the life of the Contract. They do not necessarily equate to people’s actual titles.

**School Finance Reform Act of 2008 (“SFRA”) –** A law that provides for the system for the funding of public-school districts.

**Student –** A person aged three through 21 who is entitled to receive educational initiatives and services in accordance with Federal or State law or regulation.

**Unit Price –** A price per specified unit of measure for individual line items bid on the Price Schedule which shall incorporate all associated costs. Unit prices shall be all inclusive hourly rates.

# **3.0 SCOPE OF WORK**

This project includes the following deliverables and are detailed below:

* 3.1 Audits (Scope and Deliverables);
* 3.2 Entrance Meeting;
* 3.3 Fraud;
* 3.4 Exit Meeting
* 3.5 Audit Reports
  1. Preliminary Audit Reports; and
  2. Final Audit Report.
* 3.6 Working Papers; and
* 3.7 Report Certification
* 3.8 Confidentiality

### **3.1 AUDITS**

1. An Audit shall consist of an examination of financial and compliance matters at the LEA. The financial and compliance examinations shall be primarily concerned with determining the efficiency, reasonableness, allocability, and allowability of funding decisions. The examination shall include the review of the adequacy of the Auditee’s accounting system and that the Auditee is running an efficient school district.

The size and complexity of the Audits will vary. The detailed Audit procedures presented in the Audit guidelines may not cover all circumstances or conditions encountered in Auditing the designated LEA. The audit firm shall use professional judgment in tailoring the specific Audit procedures to meet the circumstances of the designated LEA being Audited.

The contractor shall conduct a forensic audit of the East Orange School District, with a focus on uncovering misaligned, inefficient, or noncompliant uses of education funds. The audit shall involve an in-depth examination of financial records, supporting documentation, and expenditure protocols across core business functions. Particular attention will be paid to identifying patterns or decisions that may reflect fiscal risk, poor stewardship, or noncompliance.

At a minimum, the following functional areas shall be reviewed. The items identified within each functional area are not an exhaustive list and the contractor may request additional items for review, as needed:

* **Financial Controls:** Assess the entirety of the LEA’s financial circumstances, identifying issues not only with budgetary projections, but also internal controls and allocation processes. The Contractor should review the LEA’s financial controls, approval hierarchies, segregation of duties, and accountability structures. Examine and note instances where lack of transparency or oversight contributed or may contribute to questionable transactions or decision-making. Provide an opinion on whether controls are sufficient to prevent fraud, errors, or unauthorized spending.
* **Program and Grant Compliance:** Evaluate a valid and representative sampling of expenditures made between FY2023-FY2024 with state-funded programs and grants. This Audit/examination shall be conducted to confirm alignment with allowable uses and identify deviations from funding parameters, proper classifications, and any patterns indicative of misapplication.
* **Non-Recurring Revenue Utilization:** Examine the use of non-recurring revenues in FY2023-FY2024 (e.g., state aid advances, pandemic grants, capital reserves) to sustain recurring expenditures. Verify whether expenditures made from one-time funds are clearly delineated and non-structural. Assess documentation for grant-funded purchases and program expenses for compliance with terms and expenditure conditions.
* **Payroll Management:** Examine payroll processing, employment certifications, and salary classifications for FY2023-FY2024. Determine the accuracy of payroll runs, alignment with authorized salary guides, and documentation for overtime and leave payouts. Provide an opinion on the adequacy of controls to prevent payroll leakage or misclassification.
* **Position Controls:** Validate the accuracy and completeness of position control rosters across FY23–FY24. Validate that staffing decisions (e.g., new hires, transfers post-RIF, terminations) are reflected in updated records and tied to actual budgeted funds. Reconcile inconsistencies between documented eliminations and personnel records.
* **Cash Management Processes:** The Contractor shall audit and examine cash-equivalent and site-level financial management processes, including student activity funds, petty cash, and cafeteria revenues. Review monthly bank reconciliation procedures and assess whether delays, discrepancies, or reconciliation gaps have contributed to financial misstatement or concealment. Identify systemic vulnerabilities in financial handling protocols, and provide an opinion on whether internal controls and safeguards are sufficient to ensure fiscal integrity and regulatory compliance.
* **Efficiency of Expenditures:** Analyze administrative costs/ratios; public relations and professional services costs; board of education expenditures for non-employee activities, meals and refreshments; travel; employee health and dental benefits; employee leave and lump sum payouts; employee reimbursements; co-curricular activities; transportation; preschool implementation; facility utilization; class sizes; nonresident student admission compliance with *N.J.S.A.* 18A:38-3; reasonableness of facility usage revenues; review of teacher schedules to ensure teachers have a full teaching load in accordance with the teacher union contract; purchasing reasonableness to prevent unnecessary and unreasonable purchases; food service fund efficiency; use of one-time revenue sources in the budget; and, relationship between adequacy spending and local fair share and tax effort. Determine whether administrative spending is excessive or disproportionate relative to instructional and student-facing functions. Comparative insights will be used to surface inefficiencies, misaligned priorities, and areas where cost reductions could be responsibly pursued.
* **Use of State Aid for Extracurricular and Enrichment Programs:** Review the designated LEA’s allocation of state education funds to non-instructional programming (e.g., enrichment, athletics, arts). Verify whether funding sources permit such use, and examine documentation submitted to support eligibility and programmatic alignment.
* **Procurement & Contracting Expenditure Review:** Analyze a representative sample of procurement and contracting transactions for compliance with public school contracts law *(N.J.S.A.* 18A:18A et. seq.)to identify potential irregularities, including sole-source awards lacking justification, absence of competitive bidding, and payments made under vague scopes of work. Evaluate documentation trails, vendor selection rationale, and approval records for completeness, integrity, and alignment with state procurement standards.
* **Capital Improvements and Facility-Related Spending:** Examine a sample of recent infrastructure investments, capital upgrades, and/or equipment purchases using state education funds. Identify instances of non-instructional spending executed without sufficient programmatic justification and assess whether such decisions reflect responsible financial stewardship. Make recommendations on whether the designated LEA should consider leasing or selling underused buildings or consolidating schools/districts.

The contractor will synthesize audit findings to assess the LEA’s alignment with state education funding requirements and identify opportunities to improve financial stewardship, operational transparency, and regulatory compliance.

Final deliverables shall include the following:

* A comprehensive final report detailing findings across all scope areas. The final report shall include, as applicable:

1. Specific findings of:
2. Opportunities to restructure service delivery or to reduce long-term costs;
3. Spending that was not in compliance with relevant law and regulations;
4. Procedural noncompliance with relevant law and regulations;
5. Noncompliance with GAAP and/or generally accepted business practices;
6. Weaknesses in the system of internal controls; and
7. Questionable or inefficient spending practices;
8. The cause of each finding;
9. Specific corrective recommendations; and
10. The school district’s response to each finding and recommendation.

The final report shall also include supporting evidence, identified risks, and a contextual analysis of the LEA’s financial decisioning making.

* Supporting documentation, primary source evidence, and analysis of the LEA’s financial decision-making across all examined areas. This shall include identification of systemic weaknesses, inconsistencies, and documentation gaps that impact fiscal transparency or accountability.
* Comparative analysis of administrative costs relative to other spending areas. The analysis should flag patterns indicative of poor budgetary control or missed cost-saving opportunities (if applicable).
* Analysis of staffing levels, salary classifications, payroll processing accuracy, and employment certification documentation for the designated LEA. Findings shall identify deviations from authorized salary guides, irregularities in payroll execution, and vulnerabilities in internal controls that may contribute to overpayments, misclassifications, or payroll leakage.
* A risk summary identifying questionable transactions and financial management practices, including spending that appears excessive, unauthorized, or poorly documented.
* A targeted list of cost-saving opportunities, including opportunities for sale of assets (if identified), accompanied by prioritized, actionable recommendations. Where applicable, include best practices.
* A formal presentation of findings delivered to NJDOE and LEA stakeholders, including a proposed implementation timeline and suggestions for ongoing monitoring, progress tracking, and accountability.

A presentation of findings delivered to Department including a proposed implementation timeline and suggestions for ongoing monitoring, progress tracking, and accountability. Presentation of findings to LEA leadership may be considered near the end of the project period.

### **3.2 ENTRANCE MEETING**

An Entrance Meeting will be held between the Contractor and the State Contract Manager (SCM) to discuss in detail the scope and purpose of the Audit. The Contractor shall introduce key staff and discuss in detail the purpose of the Audit, procedures that will be followed, and information required. At a minimum, the Contractor shall be represented by the Partner and the Manager/Supervisor.

Note: Contractors must associate each of their personnel assigned to their Contract with one of the following Professional Skill Classifications: Partners, Managers, Senior Accountants, or Staff Accountants. These classifications are associated with different hourly rates in the Price Sheet. The classifications are a tool for pricing the Engagement work to be performed during the life of the Contract.

### **3.3 FRAUD, SUSPICION OF FRAUD, OR RECORDS UNABLE TO BE AUDITED**

Upon the suspicion or recognition of fraud, major accounting system deficiencies, or material misstatements of accounts, the Contractor shall immediately contact the NJDOE. No further work shall be performed relating to these items unless instructed to do so by the NJDOE. The Contractor may be required to provide a written report to the NJDOE detailing the nature of the findings in these situations.

If the Contractor determines at any time during the Audit that the records are not Auditable or lack documentation, which may result in a material effect on the Audited schedule(s) and which may lead to a disclaimer of opinion, the Contractor shall immediately orally notify the NJDOE. Within five (5) business days of such oral notification, the Contractor must send the NJDOE a follow-up letter that details the reasons why the records are not Auditable and/or why a disclaimer of opinion is necessary. The Contractor shall not perform any further work on that program until advised to do so by the NJDOE.

### **3.4 EXIT MEETING**

Upon completion of the Audit and prior to submittal of the final report and at any other time so designated by the NJDOE or deemed necessary by the Contractor, the Contractor shall meet with the NJDOE to discuss Audit findings.

### **3.5 AUDIT REPORTS**

#### **3.5.1 PRELIMINARY AUDIT REPORT**

The Contractor shall prepare an electronic copy and hard copy Preliminary Audit Report by December 1, 2025, and may attend a formal Exit Meeting with the NJDOE to discuss all parts of the Preliminary Audit Report.

#### **3.5.2 FINAL AUDIT REPORT**

The Contractor shall provide a set number of electronic copies and hard copies of the Final Audit Report as directed by the NJDOE. One (1) copy shall be unbound. The Contractor shall deliver the reports to the NJDOE contact and location as determined with each Engagement. The distribution of the reports will be conducted by the NJDOE.

### **3.6 WORKING PAPERS**

1. As part of any normal Audit, an Auditor maintains Working Papers consisting of notes and written records created during the performance of the Audit. The Contractor shall create and maintain Working Papers while performing the work of this Contract. As part of Generally Accepted Government Auditing Standards, the Contractor shall create files of Working Papers related to all the Audits or review Engagements performed;

1. The Contractor shall make available to the NJDOE for inspection or review, the Working Papers developed during the Engagement at any given time during the course of the Audit, at the conclusion thereof, and/or any time (see below) thereafter within the retention period specified in item “D” below. These papers shall include:

1. Facts gathered and documents obtained;
2. Computations and analyses performed;
3. Other pertinent data relating to the Audit; and
4. Audit/Review notes of Contractor staff;

1. The Working Papers shall be maintained in the Contractor’s office as backup record for the Audit. The Contractor’s Audit Working Papers shall be indexed in a logical manner and shall contain evidence that each working paper or group of Working Papers has been subjected to appropriate supervisory review. The Contractor’s Working Papers shall be clearly titled, dated, and show the name of the Auditor preparing the working paper;

1. The Contractor shall retain the Working Papers for a period of five (5) years from the date of the State’s acceptance of the final Audits, and the retained Working Papers shall be available for review by the staff of the NJDOE at their respective office locations (or in the Contractor’s local office after expiration of the Contract) at any time during the five (5) year retention period. The Contractor shall make the Working Papers and any other information related to the Audits available to any future replacement Auditing Contractor during the retention period specified herein. There shall be no separate payment to the Contractor for providing access to the Working Papers as long as that access is requested during the retention period specified herein, even if the Contract has expired; and

1. The Contractor shall retain ownership of the original Working Papers. The Contractor shall provide a copy of the Working Papers and any other documents created in the Audit/review process upon request. These copied documents will become property of the State.

### **3.7 REPORT CERTIFICATION**

All final Audit reports submitted by the Contractor to a NJDOE shall be certified by a New Jersey Certified Public Accountant (CPA) employed by the Contractor.

## **3.8 CONFIDENTIALITY**

All data that is supplied by the State and/or LEA is confidential. The Consultant shall be prohibited from releasing any information obtained from the process that is deemed confidential. Any non-Contractual use, sale or offering of information or data in any form by the Consultant, or any individual or entity in the Contractor’s charge of employ, will be considered a violation of this Contract and may result in Contract termination and the Contractor’s suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

# **4.0** **REQUIRED COMPONENTS OF THE RFP PROPOSAL**

Proposals in response to this RFP must respond to each of the following requests in the order indicated.

## **4.1** **OVERVIEW**

The bidder shall describe its approach and plans for accomplishing the work outlined above in 3.0 RFP Scope of Work. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This narrative should convince the NJDOE that the bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract.

## **4.2** **QUALIFICATIONS**

To be eligible, an organization must, at a minimum, have five years experience in providing similar services to those described in Section 3, Scope of Work.

## **4.3** **CONTRACT MANAGEMENT**

The Compliance Audit of a Local Educational Agency contract will be managed by a NJDOE assigned SCM, or his/ her designee. The SCM will be responsible for engaging the Consultant and is the person that the Consultant must contact after the contract is executed for answers to any questions and concerns about any aspect of the contract, such as reviewing the policies and procedures for the audit, including payment policies.

All Consultant-developed proposal documents, deliverables, and support materials are subject to review and approval by the SCM and developed in accordance with standard operations procedures established by the SCM.  If edits are requested, the Consultant shall resubmit the edited materials for approval by the SCM before public release.

### **4.3.1** **PROJECT LAUNCH MEETING (PLM)**

The Consultant shall schedule and meet in person with the SCM within 15 business days after the Contract award.  This meeting shall include discussion on topics including, but not limited to:

1. Introduction of key project personnel and contact information;
2. Review of project intent and scope;
3. Discussion of proper methods and channels of communication among the Consultant(s) and the SCM; and
4. Discussion of status reporting mechanisms and format.

## **4.4** **CONTRACT SCHEDULE**

|  |  |
| --- | --- |
| **Milestone** | **Time After Award** |
| Meet with State Contract Manager | 7 days |
| Entrance Conference | 15 days |
| Preliminary Audit Report | Within 3.5 months |
| Delivery of Completed Final Audit report | Within 4 months |

## **4.5** **POTENTIAL PROBLEMS**

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solutions.

## **4.6** **SUPPORT AND EXPERIENCE**

### **4.6.1** **Required Components of the Proposed Application**

**Note: Proposals in response to this RFP must respond to each of the following requirements in the order indicated:**

The Proposal (i.e., the Application) should include:

A. **ORGANIZATIONAL EXPERIENCE**

The Bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the Bidder’s qualifications, and capabilities to perform the services required by this Bid Solicitation. The Bidder should include the level of detail it determines necessary to assist the Evaluation Committee in its review of Bidder’s Quote.

**B.**  **LOCATION**

The Bidder should include the address of where responsibility for managing the Contract will take place. The Bidder should include the telephone number and name of the individual to contact.

**C.**  **ORGANIZATION CHARTS**

The Bidder should include an organization chart, with names showing management, supervisory and other key personnel (including Subcontractor management, supervisory, or other key personnel) to be assigned to the Contract. The chart should include the labor category and title of each such individual.

**D.**  **RESUMES**

Detailed resumes should be submitted for all management, supervisory, and key personnel to be assigned to the Contract. They shall each be associated with one of the following Professional Skill Classifications: Partners, Managers, Senior Accountants, and Staff Accountants.) Resumes should emphasize relevant qualifications and experience of these individuals in successfully completing Contracts of a similar size and scope to those required by this Bid Solicitation. Resumes should include the following:

1. The individual's previous experience in completing each similar Contract;
2. Beginning and ending dates for each similar Contract;
3. A description of the Contract demonstrating how the individual's work on the completed Contract relates to the individual's ability to contribute to successfully providing the services required by this Bid Solicitation; and
4. With respect to each similar Contract, the name and address of each reference together with a person to contact for a reference check and a telephone number.

The Professional Skill Classifications listed above are a tool for pricing of the Engagement work to be performed during the life of the Contract. The auditing work to be performed by the Vendors is regulated by multiple governing bodies such as, the U.S. General Accountability Office (GAO), Governmental Accounting Standards Board (GASB) and Financial Accounting Standards Board (FASB). The guidance and technical pronouncements from GAO, GASB and FASB help set the level of performance to be completed equally by all Vendors. The Professional Skill Classifications of Partner and Manager represent managerial skill level positions; while Senior Accountant and Staff Accountant represent field staff. Each Bidder should equate their firm’s internal Professional Skill Classifications into the four (4) categories listed on the price sheets as applicable. The value and placement of the personnel into the listed Professional Skill Classifications should be based on experience and expertise and is to be determined by each Bidder. Professional accounting organizations, such as the American Institute of CPAs (AICPA) can provide examples of staffing position traits if a Bidder is in need of direction for classifying a particular employee.

The Bidder should provide detailed resumes for each Subcontractor’s management, supervisory, and other key personnel that demonstrate knowledge, ability, and experience relevant to that part of the work which the Subcontractor is designated to perform.

## **E.** **EXPERIENCE WITH CONTRACTS OF SIMILAR SIZE AND SCOPE**

The Bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the Bidder’s ability to successfully complete services similar to those required by this Bid Solicitation. The Bidder should also have at least 10 years of experience performing audit work with New Jersey LEAs. Emphasis should be placed on contracts with New Jersey LEAs that are similar in size and scope to the work required by this Bid Solicitation. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this Bid Solicitation. For each such contract listed, the Bidder should provide two (2) names and telephone numbers of individuals for the contracting party. Beginning and ending dates should also be given for each contract.

The Bidder must provide details of any negative actions taken by other contracting entities against them in the course of performing these projects including, but not limited to, receipt of letters of potential default, default, cure notices, termination of services for cause, or other similar notifications/processes. Additionally, the Bidder should provide details, including any negative audits, reports, or findings by any governmental agency for which the Bidder is/was the Contractor on any contracts of similar scope. In the event a Bidder neglects to include this information in its Quote, the Bidder’s omission of necessary disclosure information may be cause for rejection of the Bidder’s Quote by the State.

The Bidder should provide documented experience to demonstrate that each Subcontractor has successfully performed work on contracts of a similar size and scope to the work that the Subcontractor is designated to perform in the Bidder’s Quote. The Bidder must provide a detailed description of services to be provided by each Subcontractor.

## **F**. **FINANCIAL CAPABILITY OF THE BIDDER**

The Bidder should provide sufficient financial information to enable the State to assess the financial strength and creditworthiness of the Bidder and its ability to undertake and successfully complete the Contract. In order to provide the State with the ability to evaluate the Bidder’s financial capacity and capability to undertake and successfully complete the Contract, the Bidder should submit the following:

* For publicly traded companies the Bidder should provide copies, or the electronic location of the annual reports filed for the two most recent years; or
* For privately held companies the Bidder should provide the certified financial statement (audited or reviewed) in accordance with applicable standards by an independent Certified Public Accountant which include a balance sheet, income statement, and statement of cash flow, and all applicable notes for the most recent calendar year or the Bidder’s most recent fiscal year.

If the information is not supplied with the Quote, the State may still require the Bidder to submit it. If the Bidder fails to comply with the request within seven (7) business days, the State may deem the Quote non-responsive.

A Bidder may designate specific financial information as not subject to disclosure when the Bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination to accept the assertion and shall so advise the Bidder.

**G. PROJECT PLAN**

A complete project plan, including how the applicant will produce and deliver the deliverables outlines in 3.0 Scope of Work.

**H. CONFLICT OF INTEREST**

A statement describing any potential conflict(s) of interest in serving as a consultant. All personnel involved in this engagement are required to maintain professional independence from East Orange School District to avoid actual, potential, or perceived conflicts of interest. No contractor or subcontractor shall have financial, governance, or operational ties to the LEA under review that could impair objective judgment.

The contractor is expected to uphold neutrality, confidentiality, and professional conduct throughout the duration of the engagement.

1. **NEW JERSEY CERTIFIED PUBLIC ACCOUNTANTS**

The Bidder should submit a list of the licensed New Jersey Certified Public Accountants (CPAs) employed by the Contractor with its Quote. If the information is not supplied with the Quote, the State reserves the right to request the information from the Bidder. If the Bidder fails to comply with the request within five (5) business days, the State will deem the Quote non-responsive.

A Bidder should not password protect any submitted documents. Use of URLs in a Quote should be kept to a minimum and shall not be used to satisfy any material terms of a Bid Solicitation. If a preprinted or other document included as part of the Quote contains a URL, a printed copy of the information should be provided and will be considered as part of the Quote.

# **5.0** **TECHNICAL EVALUATION CRITERIA**

After a determination is made that all of the minimum requirements in Section 4.6.1 of the RFP are met, Proposals will be evaluated by an Evaluation Committee on the quality of the response and overall experience, including, but not limited to:

1. Experience in conducting LEA forensic audits;
2. The Bidder’s demonstration in the Quote that the Bidder understands and is able to complete the requirements of the Scope of Work as sought.

Non-responsive Proposal Applications will be rejected without evaluation.

## **5.1 ORAL INTERVIEW**

The State may require oral interviews, and reserves the right to do so, in person, by telephone or a virtual platform. Proposals should be complete on their face. The State reserves the right to request clarifying information subsequent to submission of the Proposal Application.

**5.2 POOR PERFORMANCE**

A Bidder with a history of performance problems may be bypassed for consideration of an award issued as a result of this Bid Solicitation. The following materials may be reviewed to determine Bidder performance:

1. Contract cancellations for cause pursuant to *State of New Jersey Standard Terms and Conditions Section 5.7(B)*;
2. information contained in Vendor performance records;
3. information obtained from Audits or investigations conducted by a local, state or federal agency of the Bidder’s work experience;
4. current licensure, registration, and/or certification status and relevant history thereof; or
5. Bidder’s status or rating with established business/financial reporting services, as applicable.

Bidders should note that this list is not exhaustive.

# **6.0** **SPECIAL CONTRACTUAL TERMS AND CONDITIONS**

**N/A**

## **6.1 DISCONTINUATION OF AND/OR MODIFICATIONS TO THE INITIATIVE**

Both the Department and consultant reserve the right to terminate this project with sixty (60) days notice to the other party, with or without cause. All deliverables due up to that point must be submitted to the NJDOE at time of termination.

# **7.0 PAYMENT SCHEDULE**

The total budgeted amount for this project is not to exceed $300,000. Payments shall be made in accordance with the schedule set forth below, contingent upon submission of a valid invoice and satisfactory completion of all required deliverables.

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## **7.1 PAYMENT SCHEDULE**

Contractors will be paid within 60 days of deliverable being received and accepted by the NJDOE SCM according to the following schedule:

|  |  |
| --- | --- |
| **Payments** | **Deliverable** |
| **Payment 1** | Entrance Conference |
| **Payment 2** | Delivery of Preliminary Report |
| **Payment 3** | Exit Conference |
| **Payment 4** | Delivery of Completed Audit Report |

**\*PLEASE NOTE:**

* Vendor will not be paid if deliverables are not produced.