**State Contracting Information for Proposers**

**TO INTERESTED INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS (ICPAs):**

Proposals must be organized and submitted in strict accordance with the format provided by the “Response to the Solicitation for Proposal.” The legislative auditor reserves the right to refuse to consider proposals that are not submitted in this format or that are incomplete.

Proposals will be evaluated for both technical factors and cost factors. The technical factors that will be considered in the selection process include the ICPA's experience in performing governmental engagements, qualifications of staff, number of current contracted engagements, and any other factors that might impact the suitability of the proposer for the engagement. See Proposal Evaluation section below for more information about this process.

**General Information**

1. Questions concerning any solicitation for proposals (SFP) posted on LLA’s state contracts webpage should be directed to [StateContracts@lla.la.gov](mailto:StateContracts@lla.la.gov).
2. Proposers must be approved by the legislative auditor to perform governmental engagements and maintain an office within the state of Louisiana. Proposers must also have their most recent peer review report published on the legislative auditor’s website.
3. A link to submit proposals is adjacent to each Solicitation for Proposal (SFP) on the [Current Solicitations](https://lla.la.gov/cpas/state-contracts/current-solicitations/) web page.
4. The pricing information should conform to the format specified in the “Response to the Solicitation for Proposal (SFP) – Fee Proposal” section. Failure to present the pricing information in this format will result in the disqualification of a proposer. Obtaining the lowest price for the state entity will be a significant factor in awarding the contract, however it will not be the only factor. We will judge all factors of the proposal to try to select the best suited proposal for the state entity. Please note the price no longer needs to be included in a separate document.
5. Proposers may propose on as many state agency engagements as desired. However, for every state agency to be proposed on, the proposer must complete a separate proposal.
6. Under the provisions of R.S. 24:517.3, the successful proposer will enter into an engagement contract with the legislative auditor. Upon the ICPA's completion of the engagement and submission of the invoice not to exceed the maximum fee provided in the contract to the state agency, the state agency will submit the invoice to the legislative auditor for approval to pay. Once the legislative auditor has approved, the state agency will issue a check made payable solely to the ICPA.
7. The legislative auditor reserves the right to reject any and all submitted proposals and to request additional information from any and all proposers.
8. The name of the successful proposer and pricing information will be posted on the legislative auditor’s website.
9. Submitted proposals become part of the legislative auditor's official files.

**Scope of Engagement**

The engagement will encompass all funds under the control of the state agency. There will be no limitations on the scope of the engagement.

**Contract Period**

For each agency for which the legislative auditor is soliciting proposals, an engagement contract will be awarded for a specified contract period, which may include multi-year engagements. The contract periods and engagement periods are included in the agency specific information sheet posted on the legislative auditor’s current solicitations webpage.

**Legislative Auditor's Authority to Audit**

Under R.S. 24:513(A)(2), the legislative auditor has authority to audit all state agencies included within the state's annual comprehensive financial report. The legislative auditor reserves the right to cancel any and all parts of a contract resulting from this SFP at any time during the duration of the contract.

**Contract Compliance**

Any deviation from the provisions of the engagement contract shall be submitted by the ICPA to the legislative auditor immediately in writing. Failure to comply with any part of the engagement contract, without appropriate advance approval, will result in the legislative auditor seeking remedial action. Depending on the engagement contract deviation, the remedial action may include (but is not limited to) canceling the engagement contract and/or prohibiting the ICPA from participating in the SFP process.

The completion date for an engagement is a specific contract provision that the legislative auditor will closely monitor for compliance. The reports must be completed by the ICPA and transmitted to the legislative auditor within the time frames included in the agency specific information. Should the ICPA be unable to complete an engagement within the required time, he/she shall notify the legislative auditor immediately in writing, providing all substantive reasons for the delay and an estimate of the revised completion date. Should the legislative auditor determine that such a revised completion date is unacceptable, the legislative auditor shall immediately cancel the contract and engage another ICPA to complete the work within an acceptable completion date. The cost of any incomplete work for which the ICPA named in the original contract was responsible shall be deducted from the contract fee.

Timeliness will be considered in the awarding of engagement contracts and/or continuation of any engagement contracts. Failure to complete contracted work within the time periods specified in the contract may result in the firm's elimination from the SFP process as a non-responsive proposer.

**Monitoring**

It will be the responsibility of the legislative auditor to monitor the successful completion of the engagement. Failure on the part of the ICPA to be responsive to inquiries and requests of legislative auditor’s staff will endanger the ICPA's ability to participate in future SFPs and may result in cancellation of the current contract.

**Manager Rotation**

No ICPA shall be allowed to use the same engagement manager for a specific state agency for a period longer than six consecutive years. After the sixth year of an auditor/client relationship of an ICPA with a specific state agency, there must be a change of engagement managers. An engagement manager is the person who is primarily responsible for the successful completion of the engagement. The engagement manager works independently and does not receive direct supervision, although indirect supervision is received from higher level management. The engagement manager generally:

* Controls, approves, and signs major communications with the agency and may sign communications with the legislative auditor.
* Advises the in-charge auditor/accountant during the planning phase and on the overall approach to the engagement.
* Provides technical assistance and consultation to the in-charge auditor/accountant.
* Reviews and approves the detailed engagement plan and programs and any modifications or amendments thereto.
* Attends entrance and exit conferences.
* Provides overall field supervision, to include review of the engagement documentation as needed and as appropriate depending on the experience of the in-charge auditor/accountant.
* Monitors the progress of the engagement.
* Approves findings and management letter comments.
* Performs a final review of the report draft for compliance with professional standards.
* Assumes responsibility for the correctness and adequacy of the engagement and the report draft.

**Right to Reject Proposals**

The legislative auditor reserves the right to reject proposals. While not an all-inclusive listing, any one of the following may cause the proposal to be rejected:

* Any proposals that are not complete.
* The proposer is not in an active status in the legislative auditor’s ICPA database.
* The proposal fee is unreasonably low in comparison to the other proposals received.
* The proposal does not include rotation of the engagement manager when the proposer has performed the engagement under contract for the past six years.
* The proposer does not meet state licensing requirements to practice public accounting in Louisiana.
* The proposer does not meet the applicable standards for independence.
* The proposer has engaged in unethical practices within the past five years.
* The proposer has failed to comply with continuing professional education requirements of the Louisiana State Board of CPA’s and *Government Auditing Standards*.
* The proposal is considered incomplete due to:
* The proposal does not identify the state agency, contract period, or engagement periods.
* The proposal is not prepared using the appropriate template specified in the “Response to the Solicitation for Proposal.”
* The proposal indicates a scope limitation.
* The proposal does not specify the application of *Government Auditing Standards.*
* The pricing information is not prepared using the pricing format specified in the “Response to the Solicitation for Proposal – Fee Proposal” section.

**Proposal Evaluation**

Proposals will be evaluated using a two-step process. The first step involves LLA performing technical evaluations based on a review of the proposals, proposed pricing bids, and other considerations such as the following:

* The number of engagements the ICPA is currently contracted with LLA to perform.
* The complexity of the engagement and the suitability of the firm to perform the work considering firm capacity, past history, etc.
* Concerns expressed by the state agency based on past history with the proposer
* Conditions that come to the attention of the LLA that could cause the proposer to fail to meet required independence standards
* History of substandard audit work within the past five years
* Failure to comply with continuing professional education requirements of the Louisiana State Board of CPA’s and *Government Auditing Standards*
* Failure to comply with *Government Auditing Standards* peer review requirements
* Intention to outsource some or all of the engagement to staff located outside of the United States
* Any other considerations that might impact the suitability of the firm to perform the engagement.

The evaluation of proposals will be weighted 50% for proposed pricing, 25% for the technical evaluation, and 25% on other considerations as explained previously.

Based on the results of this evaluation, the LLA will propose the most suitable candidate to the evaluation committee for awarding the contract. The committee will review the evaluation performed and make a final determination of the awarded proposer. When the evaluation yields a tie for the top proposer, the contract will be awarded to the ICPA with the lowest proposed pricing for all years combined.

All proposals are considered confidential until the evaluation by the committee and final determination of the winning proposer.

LLA’s intention will be to notify the successful ICPA firm within 10 working days from the proposal due date of the award of the contract. The name of the successful proposer and pricing information will be posted on the legislative auditor’s website.

**Compensation and Payment**

R.S. 24.517.3 provides that the legislative auditor will pay for the cost of the engagement, to the extent that funds are appropriated by the legislature. Funds have not been appropriated to the legislative auditor to pay for these engagements. As such, R.S. 24:517.3 provides that the audited state agency will provide the funds for payment to the ICPA.

Monthly billings will be allowed; however, no more than five billings per engagement period, not to exceed seventy-five percent of the contract fee for each period, will be permitted until the legislative auditor has received and accepted the report.

Billings (interim and final) should be submitted to both the legislative auditor and the state agency. Upon the legislative auditor’s approval of the payment, the state agency will issue a check made payable solely to the ICPA.

If extraordinary or unusual circumstances are encountered which make it necessary for the ICPA to perform added work beyond the scope originally anticipated, before beginning such work, the ICPA shall immediately report such condition, in writing, to the legislative auditor and the state agency being examined. The ICPA must provide an estimate of the number of additional hours and the resulting fee. The legislative auditor will consider the nature of the additional work and the related cost and, in conjunction with the agency input, will determine whether to amend the engagement contract.