

ALASKA AEROSPACE CORPORATION

REQUEST FOR PROPOSALS



External Audit Services RFP-AAC-23-0003

ISSUED April 3, 2023

ISSUED BY:

Alaska Aerospace Corporation
Procurement Division

PRIMARY CONTACT:

Maggie Minton
Procurement Officer
Maggie.Minton@akaerospace.gov

IMPORTANT NOTICE: This is a proposal that will not be read at public opening. The information may be publicly reviewed after award. The instructions to offerors and Alaska Aerospace (AAC) general terms and conditions should be reviewed and understood before preparing a proposal. As a state agency, AAC is exempt from federal, state and local taxes. AAC will not pay for any information received in response to this Request for Proposal (RFP), nor will AAC compensate any respondent for any cost incurred in developing the Proposal. All information submitted by respondents to this RFP, including appropriately marked proprietary information, will be safeguarded and protected from unauthorized disclosure. All personnel reviewing the RFP information have been briefed regarding Non-disclosure and Organizational Conflict of Interest (OCI) issues. Return the proposal by the above time and date. The proposal is to be valid for 60 days.

SECTION 1. INSTRUCTIONS TO OFFERORS

Section 1.01 PURPOSE OF THE RFP

The Alaska Aerospace Corporation (AAC) is soliciting proposals to provide technical assistance in the drafting of AAC's financial statements and to conduct an independent financial statement audit leading to completion of AAC's portion of the State of Alaska's Annual Comprehensive Financial Report. The auditor will express an opinion on financial statements in accordance with generally accepted government auditing standards (GAGAS).

Section 1.02 BUDGET

AAC estimates a budget between \$50,000 and \$80,000 for each year of this project. Approval or continuation of a contract resulting from this RFP may be contingent upon AAC Board of Director (BoD) approval.

Section 1.01 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be submitted electronically via Maggie.Minton@akaerospace.gov on or before the RFP closing date of **30 April 2023, 5 PM AKST**. Late proposals or amendments will be disqualified and not opened or accepted for evaluation.

Section 1.02 PRIOR EXPERIENCE

For Offerors to be considered responsive, offerors must:

- be independent of the State of Alaska and the Alaska Aerospace Corporation as defined by the U.S Government Accountability Office's Government Auditing Standards.
- hold current licensing with the State of Alaska Board of Public Accountancy, with, at minimum, team members at Audit Manager level or higher holding CPAs; or can provide evidence that it can comply with Alaska Statute 08.04.195 Reciprocity with other states.
- offer professional financial auditing and related consulting services in its normal course of business
- demonstrate that assigned audit partners and managers individually have a minimum of five (5) years of experience conducting and reporting on governmental financial audits in accordance with Government Accounting Standards.

An offeror's failure to meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and rejected.

Section 1.03 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the procurement team at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the procurement officer, in writing. The terms and conditions should be reviewed and understood before preparing a quotation and are available at <https://akaerospace.com/contracts/>.

Section 1.04 SOLICITATION INQUIRES AND QUESTIONS

All questions regarding this solicitation, of a contractual or technical nature, must be in writing and submitted to Maggie.Minton@akaerospace.gov. Please be advised AAC reserves the right to transmit those questions and answers of a common interest to all prospective offerors.

Section 1.05 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the procurement officer no later than ten days prior to the deadline for receipt of proposals.

Section 1.06 AMENDMENTS TO THE RFP

If an amendment is issued before the deadline for receipt of proposals, it will be provided to all who were notified of the RFP and to those who have registered with the procurement officer.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted because of receiving new or amended proposals.

Section 1.07 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline.

Section 1.08 RFP SCHEDULE

ACTIVITY	DATE	TIME
Issue Date / RFP Released	04/03/2023	
Deadline for Receipt of Proposals / Proposal Due Date	04/30/2023	5pm AKST
Proposal Evaluations Complete	05/08/2023	
Notice of Intent to Award	05/09/2023	
Contract Issued	05/15/2023	

This RFP does not, by itself, obligate Alaska Aerospace. AAC's obligation will commence when the contract is executed. Upon written notice to the contractor, AAC may set a different starting date for the contract. AAC will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by AAC.

Section 1.09 ALTERNATE PROPOSAL

Offerors may only submit one proposal for evaluation. Alternate proposals (proposals that offer something different than what is asked for) will be rejected.

SECTION 2. BACKGROUND INFORMATION

Section 2.01 BACKGROUND INFORMATION

The Alaska Aerospace Corporation was established by the State of Alaska to develop a high technology aerospace industry in the state. The corporation has a conventional top-down business organization including a Board of Directors, a President and CEO, a Chief Financial Officer (CFO), and Directors who oversee specific business functions. AAC's corporate offices are in Anchorage, Alaska. AAC conducts business in accordance with standard contracting practices that are Defense Contract Audit Agency compliant.

AAC's core business area is space launch, and it developed, owns, and operates the Pacific Spaceport Complex-Alaska (PSCA), a state-of-the-industry spaceport on Kodiak Island, Alaska, that provides access to planetary orbital space for commercial and government interests. The corporation's charter encompasses more than space launch, and it participates in other aerospace fields as well.

a) Budgetary Basis of Accounting

Alaska Aerospace prepares its budgets on a basis consistent with generally accepted accounting principles. Refer to AAC's publicly available annual reports for additional information on financial statements which can be found at: <https://akaerospace.com/about-us/annual-reports/>.

b) Accounting Systems

Alaska Aerospace uses Deltek Costpoint ERP Software. Currently the following modules are used:

- Accounts Payable
- Accounts Receivable
- Purchasing/Materials
- Fixed Assets
- General Ledger
- Project Accounting

The Chart of accounts is set up in a way that revenues and expenses are broken down by department/project for reporting purposes.

c) Internal Audit Function

Alaska Aerospace does not currently have an internal audit position.

d) Availability of Prior Audit Reports and Working Papers

Interested offerors who wish to review prior year's audit reports and management letters should contact the procuring contracting officer Maggie Minton, Maggie.Minton@akaerospace.com. Alaska Aerospace will use its best efforts to make prior audit reports and supporting work papers available to proposers to aid their response to this RFP.

SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

Section 3.01 SCOPE OF WORK

The Successful Offeror will:

- a. Provide technical assistance in the compilation of the financial statements and annual financial report, to include:
 - i. Consolidating and building a working trial balance for the fiscal year ended June 30 from financial records in Alaska Aerospace's accounting system, Deltek Costpoint, investment reports and relevant Retirement Plans, and financial reports of directly held investments, and
 - ii. Drafting financial statements, government wide financial statements, and notes to financial statements from the working trial balance, including subsequent events.
- b. Evaluate the AAC's financial records and no later than October 1st following the end of the most recent fiscal year express an opinion on the fair presentation of its financial statements,
- c. Provide a review of proposed Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), Federal Acquisition Regulation (FAR), Cost Accounting Standards (CAS) and any other relevant accounting standards applicable to AAC and recommendations for application as they pertain to the AAC,
- d. Present the financial statements and auditor's opinion to the Chief Executive Officer (CEO) and Board of Directors (BoD),

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- e. Report on accountability in the use and management of AAC's assets, and on compliance with internal controls and applicable laws and regulations, identify any areas of concern or weaknesses encountered in the examination of AAC's financial practices, recommendations for improvement, and management's response to any such concerns raised.
- f. Ensure that the CEO and BoD is informed of the auditor's responsibilities under GAAP, significant accounting policies, management judgments and accounting estimates, significant audit adjustments, disagreements with management, major issues discussed with management prior to retention, difficulties encountered in performing the audit.
- g. Provide assistance as required in completing AAC's portion of the State of Alaska's Annual Comprehensive Financial Report. This may include assistance to the State of Alaska Department of Administration (DOA) and/or timely response to audit and related reporting inquiries from DOA's auditors at the Division of Legislative Audit.

The successful offeror shall report on accountability in the use and management of AAC's assets, and on compliance with internal controls and applicable laws and regulations. The successful offeror shall provide a management letter that identifies any areas of concern or weaknesses encountered in the examination of AAC's financial practices, recommendations for improvement, and management's response to any such concerns raised. The successful offeror shall ensure that the BoD is informed of the auditor's responsibilities under GAAP, significant accounting policies, management judgments and accounting estimates, significant audit adjustments, disagreements with management, major issues discussed with management prior to retention, difficulties encountered in performing the audit.

Other professional services directly related to accounting and reporting.

There is no guarantee that services under this section will be requested of the contractor. Alaska Aerospace is not obligated to have any work other than audits done through the contractor and reserves the right to engage others to provide such services.

The contractor shall provide continuing advice as ethical to AAC directly related to accounting and reporting, when requested by authorized AAC staff, by subsequent and specific oral or written request in any of the following areas:

- asset valuation;
- internal controls;
- financial statement presentation;
- compliance with Cost Accounting Standards Contracts;
- electronic data processing systems and control reviews;
- forms of presentation, including new methods of presentation of annual reports for both financial and performance measurement purposes;
- research and reporting on matters that may affect AAC's investments and/or AAC operations, such as Internal Revenue Code changes, or legal, statutory, regulatory, or administrative rulings and interpretations;
- implementation of accounting for types of investments that AAC is not already invested in;
- special auditing services requested (as defined by the Chief Executive Officer, the Chief Financial Officer, the BoD); and
- consultation, information, or special procedures related to corporate governance issues.

Section 3.02 CONTRACT TERM AND WORK SCHEDULE

The length of the contract will be from the date of award, approximately 15 May 2023, for 1 year until completion, approximately 31 May 2024. This contract will have four (4) 1-year renewal options to be exercised at the sole discretion of AAC.

The approximate contract schedule is as follows:

- Mid-May: Audit Planning Meeting. The contractor shall provide a detailed list of confirmations, schedules, trial balances, reports, and other documentation to be provided by AAC Office staff, and respective submittal deadlines.
- Mid-August: Begin Interim Audit
- September 15: Draft financial statements for submittal to State of Alaska
- October 1: Completion of year-end audit work for submittal to State of Alaska
- Mid/Late October: Presentation to review financial statements and management letter. Discuss the auditor's report and management letters with Management and the BoD prior to their distribution.

Unless otherwise provided in this RFP, AAC and the successful offeror/contractor agree: (1) that any extension of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) the procurement officer will provide notice to the contractor of the intent to cancel such month-to-month extension at least 30 days before the desired date of cancellation. A month-to-month extension may only be executed by the procurement officer via a written contract amendment.

Section 3.03 DELIVERABLES

The contractor will be required to provide the following deliverables:

- a. An audit report containing independent assessment of whether AAC's reported financial information is presented fairly, and in all material respects in accordance with recognized criteria.
- b. To report on internal control over financial reporting.
- c. To report on compliance with provisions of laws, regulations and contracts and agreements that have a material effect on the financial statements.
- d. Electronic PDF file of the annual financial report and letters, and hard bound copies when requested from AAC (not to exceed 15).
- e. Trial balances with Mapping, Adjusting Journal Entries, and other financial reports and/or schedules in PDF and Microsoft Excel compatible format.
- f. For all presentations to the BoD, presentation slides in Microsoft PowerPoint or PDF format.

In the required reports on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organizations' ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditor shall be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls. The report on compliance and internal controls shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

- ☐ Chief Executive Officer
- ☐ Board of Directors

Section 3.04 CONTRACT TYPE

This Contract is a Firm Fixed Price (FFP) contract.

Section 3.05 PROPOSED PAYMENT PROCEDURES

AAC will make payments based on a negotiated payment schedule. Each billing must consist of an invoice and progress report. No payment will be made until the progress report and invoice has been approved by the project manager.

Section 3.06 LOCATION OF WORK

The work is to be performed, completed and managed at the contractor's workspace, the Alaska Aerospace Corporation Office, 4300 B Street in Anchorage or may be conducted remotely. Travel to other locations will not be required. If the contractor elects to perform the work on premise instead of remote, AAC will provide workspace for the contractor during their review of AAC documents. Once all documents have been reviewed and all the information has been gathered, the contractor will vacate AAC workspace and finish the audit report from the contractor's workspace.

By signature on their proposal, the offeror certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States. If the offeror cannot certify that all work will be performed in the United States, the offeror must contact the procurement officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals. The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary. Failure to comply with these requirements may cause AAC to reject the proposal as non-responsive or cancel the contract.

Section 3.07 SUBCONTRACTORS AND JOINT VENTURES

Subcontractors and Joint Ventures will not be allowed.

Section 3.08 CONTRACT PERSONNEL

Any change of the project team members or subcontractors named in the proposal must be approved, in advance and in writing, by the project director or procurement officer. Changes that are not approved by the AAC may be grounds for AAC to terminate the contract.

Section 3.09 CONTRACT CHANGES UNANTICIPATED AMENDMENTS

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project manager will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments.

The contractor will not commence additional work until the procurement officer has secured any required AAC approvals necessary for the amendment and issued a written contract amendment, approved by the AAC.

Section 3.10 NONDISCLOSURE AND CONFIDENTIALITY

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by the contractor with all applicable

federal and state law, including the Social Security Act and HIPAA. The contractor must promptly notify AAC in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by AAC or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines provided by AAC to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with this contract, or acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc.).

Additional information that the contractor shall hold as confidential during the performance of services under this contract include personnel wages and person-specific data.

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the AAC with written notice of the requested disclosure (to the extent such notice to the AAC is permitted by applicable law) and giving the AAC opportunity to review the request.

If the contractor receives no objection from AAC, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to the AAC within a reasonable time after the contractor's receipt of notice of the requested disclosure and, upon request of the AAC, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

Section 3.11 IDEMNIFICATION

The contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

Section 3.12 INSURANCE REQUIREMENTS

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the

minimum acceptable limits. If the contractor's policy contains higher limits, AAC shall be entitled to coverage to the extent of such higher limits.

Certificates of Insurance must be furnished to the procurement officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance. AAC'S full contract provisions for Insurance and Indemnification are provided under Appendix B, attached in Section 7. ATTACHMENTS.

Section 3.13 TERMINATION FOR DEFAULT

If the CEO determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, AAC may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict AAC's termination rights under the contract provisions of Appendix A, attached in SECTION 7. ATTACHMENTS.

SECTION 4. PROPOSAL FORMAT AND CONTENT

Section 4.01 RFP SUBMITTAL FORMS

This RFP contains Submittal Forms, which must be completed by the offeror and submitted as their proposal. Electronic copies of the forms are posted along with this RFP. Offerors shall not re-create these forms, create their own forms, or edit the format structure of the forms unless permitted to do so.

Unless otherwise specified in this RFP, the Submittal Forms shall be the offeror's entire proposal. Do not include any marketing information in the proposal.

Any proposal that does not follow these requirements may be deemed non-responsive and rejected.

Section 4.02 SPECIAL FORMATTING REQUIREMENTS

The offeror must ensure that their proposal meets all special formatting requirements identified in this section.

Documents and Text: All attachment documents must be written in the English language, be single sided, and be single spaced with a minimum font size of 10. Pictures or graphics may be used if the offeror feels it is necessary to communicate their information, however, be aware of the page limit requirements.

Anonymity: Some Submittal Forms listed below must not contain any names that can be used to identify who the offeror is (such as company names, offeror name, company letterhead, personnel names, project names, subconsultant names, manufacturer or supplier names, or product names).

Page Limits: Some Submittal Forms listed below have maximum page limit requirements. Offerors must not exceed the maximum page limits. Note, the page limit applies to the front side of a page only (for example, '1 Page' implies that the offeror can only provide a response on one side of a piece of paper).

SUBMITTAL FORM	ANONYMOUS DOCUMENT	MAXIMUM PAGE LIMITS
Submittal Form A – Offeror Information and Certifications	NO	

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Submittal Form B – Approach to Audit Quality	YES	5
Submittal Form C – Team Knowledge and Experience	YES	5
Submittal Form D – Unique Qualifications	YES	5
Submittal Form E – Value Added Services	YES	5
Submittal Form F – Cost Proposal	NO	
Submittal G - A copy of Offeror's most recent peer review report (Offeror Format)	NO	

Any Submittal Form that is being evaluated and does not follow these instructions may receive a '1' score for the evaluated Submittal Form, or the entire response may be deemed non-responsive and rejected. Failure to submit any of the Submittal Forms will result in the proposal being deemed non-responsive and rejected.

Section 4.03 OFFEROR INFORMATION AND CERTIFICATIONS (SUBMITTAL FORM A)

The offeror must complete and submit this Submittal Form. The form must be signed by an individual authorized to bind the offeror to the provisions of the RFP.

By signature on the form, the offeror certifies they comply with the following:

- a) the laws of the State of Alaska;
- b) the applicable portion of the Federal Civil Rights Act of 1964;
- c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- d) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- e) all terms and conditions set out in this RFP;
- f) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- g) that the offers will remain open and valid for at least 90 days.

If any offeror fails to comply with [a] through [g] of this paragraph, AAC reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

The Submittal Form also requests the following information:

- a) The complete name and address of offeror's firm along with the offeror's Tax ID.
- b) Information on the person AAC should contact regarding the proposal.
- c) Names of critical team members/personnel.
- d) Addenda acknowledgement.
- e) Conflict of interest statement.
- f) Federal requirements.
- g) Alaska preference qualifications.

An offeror's failure to address/respond/include these items may cause the proposal to be determined to be nonresponsive and the proposal may be rejected.

Section 4.04 APPROACH TO AUDIT QUALITY (SUBMITTAL FORM B)

Offerors must provide comprehensive narrative statements that illustrate their understanding of the requirements of the project, the project schedule, and AAC's organization/industry.

Offerors must provide comprehensive narrative statements that set out the methodology they intend to employ and illustrate how the methodology will serve to accomplish the work and meet AAC's project schedule.

Offerors must provide comprehensive narrative statements that demonstrate its ability to complete the audit work in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and the standards for financial audits set forth in the U.S. Government Accountability Office's Government Auditing Standards.

Offerors must provide comprehensive narrative statements that set out the management plan they intend to follow and illustrate how the plan will serve to accomplish the work and meet AAC's project schedule.

Offerors must provide information on their peer review process.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This Submittal Form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (as described in Section 4.02).

Section 4.05 TEAM KNOWLEDGE AND EXPERIENCE (SUBMITTAL FORM C)

Offerors must provide detail on the personnel assigned to accomplish the work called for in this RFP, including professional training; illustrate the lines of authority; designate the individual responsible and accountable for the completion of each component and deliverable of the RFP.

Offerors must provide a description of qualifications, industry experience, licenses and strengths for all partners in addition to the firm's background, client base, licensing information and years in business.

Offerors must provide a narrative description of the organization of the project team and a personnel roster that identifies each person who will actually work on the contract along with their titles and location(s) where work will be performed. Offerors must also provide reference names and phone numbers for similar projects the offeror's firm has completed.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This Submittal Form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (as described in Section 4.02).

Section 4.06 UNIQUE QUALIFICATIONS (SUBMITTAL FORM D)

Offerors must provide any qualifications that set their firm apart from other firms.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This Submittal Form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (as described in Section 4.02).

Section 4.07 VALUE ADD SERVICES (SUBMITTAL FORM E)

Offeror must provide comprehensive narrative on the additional value-added services the firm provides beyond the audit engagement.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This Submittal Form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (as described in Section 4.02).

Section 4.08 COST PROPOSAL (SUBMITTAL FORM F)

Offerors must complete and submit this Submittal Form. Proposed costs must include all direct and indirect costs associated with the performance of the contract, including, but not limited to: total number of hours at various hourly rates, direct expenses, payroll, supplies, overhead assigned to each person working on the project, percentage of each person's time devoted to the project, and profit. The costs

identified on the cost proposal are the total amount of costs to be paid by AAC. No additional charges shall be allowed.

Section 4.09 PEER REVIEW REPORT (SUBMITTAL G)

Offerors must submit a copy of their firm's most recent peer review report. Offeror format is acceptable.

SECTION 5. EVALUATION CRITERIA

Section 5.01 SUMMARY OF EVALUATION PROCESS

Alaska Aerospace will use the following steps to evaluate and prioritize proposals:

- 1) Proposals will be assessed for overall responsiveness. Proposals deemed non-responsive will be eliminated from further consideration.
- 2) A proposal evaluation committee (PEC), made up of at least three state employees or public officials, will evaluate specific parts of the responsive proposals.
- 3) The Submittal Forms, from each responsive proposal, will be sent to the PEC. No cost information will be shared or provided to the PEC.
- 4) The PEC will independently evaluate and score the documents based on the degree to which they meet the stated evaluation criteria.
- 5) After independent scoring, the PEC will have a meeting, chaired by the procurement officer, where the PEC may have a group discussion prior to finalizing their scores.
- 6) The evaluators will submit their final individual scores to the procurement officer, who will then compile the scores and calculate awarded points as set out in Section 5.03.
- 7) The procurement officer will calculate scores for cost proposals as set out in Section 5.08 and add those scores to the awarded points along with factoring in any Alaska preference discount for price.
- 8) The procurement officer may ask for best and final offers from offerors susceptible for award and revise the cost scores accordingly.
- 9) AAC will then conduct any necessary negotiations with the highest scoring offeror and award a contract if the negotiations are successful.

Section 5.02 EVALUATION CRITERIA

Proposals will be evaluated based on their overall value to AAC, considering both cost and non-cost factors as described below. Note: An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

OVERALL CRITERIA		WEIGHT
Responsiveness		Pass/Fail
QUALIFICATIONS CRITERIA		WEIGHT
Approach to Audit Quality	(Submittal Form B)	30
Team Knowledge and Experience	(Submittal Form C)	30
Unique Qualifications	(Submittal Form D)	10
Value Add Services	(Submittal Form E)	10
COST CRITERIA		WEIGHT
Cost Proposal	(Submittal Form F)	20
PREFERENCE CRITERIA		WEIGHT
Alaska Offeror Preference (if applicable)		5% reduction in Cost

TOTAL EVALUATION POINTS AVAILABLE: 100

Section 5.03 SCORING METHOD AND CALCULATION

The PEC will evaluate responses against the questions set out in Sections 5.04 through 5.07 and assign a single score for each section. Offerors' responses for each section will be rated comparatively against one another with each PEC member assigning a score of 0-5 or 0-10. Responses that are similar or lack dominant information to differentiate the offerors from each other will receive the same score. Therefore, it is the offeror's responsibility to provide dominant information and differentiate themselves from their competitors.

Section 5.04 APPROACH TO A QUALITY AUDIT

This portion of the offeror's proposal will be evaluated against the following statements:

- 1) The proposal outlines an audit approach that is tailored based on obtaining an understanding of the organization's activities, operating systems, personnel and special needs.
- 2) The proposal indicates an audit approach that is tailored based on the firm's advanced understanding of your organization's industry.
- 3) The proposal outlines the firm's processes for ensuring an efficient and effective audit process.
- 4) The proposal showcases the firm's commitment to providing quality audit services by outlining their peer review process.
- 5) The proposal outlines the firm's approach to consistent formal and informal communications throughout the life of the project.

Section 5.05 TEAM KNOWLEDGE AND EXPERIENCE

This portion of the offeror's proposal will be evaluated against the following statements:

- 1) The proposal highlights the firm's commitment to professional training and staff continuity.
- 2) The proposal outlines qualifications, industry experience, licenses and strengths for all partners.
- 3) The proposal specifies the strengths of assigned team members as well as their years of prior experience in the particular industry and type of engagement.
- 4) The proposal identifies how the firm will comply with applicable industry reporting regulations, if applicable.
- 5) The proposal provides the firm's background, client base, licensing information and years in business.
- 6) If the firm does not have relevant experience in your particular industry, the proposal specifies that the firm has identified a firm with the applicable expertise/specialty to affiliate with to assist with this engagement and provides the affiliate firm's qualifications, background and experience.

Section 5.06 UNIQUE QUALIFICATIONS

This portion of the offeror's proposal will be evaluated against the following statement:

- 1) The proposal conveys a positive and confident feeling derived from the firm's business beliefs, communication practices and unique qualifications of which lays the foundation for a trusted relationship.

Section 5.07 VALUE ADDED SERVICES

This portion of the offeror's proposal will be evaluated against the following statements:

- 1) The proposal provides a listing of additional value-added services the firm provides beyond the audit engagement. (e.g., proactively monitor and communicate topics relevant to your financial

- and business operations all year long that may impact your future success).
- 2) It is evident that the firm understands our business and our challenges. The firm is committed to being our business advisor, beyond the audit engagement in accordance with ethical standards.

Section 5.08 CONTRACT COST (COST PROPOSAL)

Overall, a minimum of 20% of the total evaluation points will be assigned to cost. After the procurement officer applies any applicable preferences, the offeror with the lowest total cost will receive the maximum number of points allocated to cost per 2 AAC 12.260(c). The point allocations for cost on the other proposals will be determined using the following formula:

$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$

Section 5.09 ALASKA BIDDER PREFERENCE

An Alaska Bidder Preference of 5% will be applied as a reduction to the cost in the proposal. The preference will be given to an offeror who:

- 1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- 2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
- 3) has maintained a place of business within the state staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- 4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and

In order to receive the Alaska Bidder Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this RFP. An offeror's failure to provide this completed form with their proposal will cause AAC to disallow the preference.

Section 5.10 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation, the procurement officer will issue a written Notice of Intent to Award and send copies of that notice to all offerors who submitted proposals. The notice will list the names of all offerors and identify the offeror selected for award.

SECTION 6. GENERAL PROCESS AND LEGAL INFORMATION

Section 6.01 INFORMAL DEBRIEFING

When the contract is completed, an informal debriefing may be performed at the discretion of the project manager or procurement officer. If performed, the scope of the debriefing will be limited to the work performed by the contractor.

Section 6.02 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;

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- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

Section 6.03 STANDARD CONTRACT PROVISIONS

The contractor will be required to agree to AAC's Standard Terms and Conditions - Appendix A. This form is attached with the RFP for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval, and AAC reserves the right to reject a proposal that is non-compliant or takes exception with the contract terms and conditions stated in the Agreement. Any requests to change language in this document (adjust, modify, add, delete, etc.), must be set out in the offeror's proposal in a separate document. Please include the following information with any change that you are proposing:

- 1) Identify the provision that the offeror takes exception with.
- 2) Identify why the provision is unjust, unreasonable, etc.
- 3) Identify exactly what suggested changes should be made.

Section 6.04 QUALIFIED OFFERORS

Per 2 AAC 12.875, unless provided for otherwise in the RFP, to qualify as an offeror for award of a contract issued under AS 36.30, the offeror must:

- 1) Add value in the contract by actually performing, controlling, managing, or supervising the services to be provided; or
- 2) Be in the business of selling and have actually sold on a regular basis the supplies that are the subject of the RFP.

If the offeror leases services or supplies or acts as a broker or agency in providing the services or supplies in order to meet these requirements, the procurement officer may not accept the offeror as a qualified offeror under AS 36.30.

Section 6.05 PROPOSAL AS PART OF THE CONTRACT

Part of all of this RFP and the successful proposal may be incorporated into the contract.

Section 6.06 ADDITIONAL TERMS AND CONDITIONS

Alaska Aerospace reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

Section 6.07 RIGHT OF REJECTION

Offerors must comply with all of the terms of the RFP, and all applicable local, state, and federal laws, codes, and regulations. The procurement officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of Alaska Aerospace. If an offeror does so, the procurement officer may determine the proposal to be a non-responsive counteroffer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;

- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature.
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;
- may be waived by the procurement officer.

Alaska Aerospace reserves the right to refrain from making an award if it determines that to be in its best interest. **A proposal from a debarred or suspended offeror shall be rejected.**

Section 6.08 AAC NOT RESPONSIBLE FOR PREPARATION COSTS

Alaska Aerospace will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

Section 6.09 DISCLOSURE OF PROPOSAL CONTENTS

All proposals and other material submitted become the property of AAC and may be returned only at the AAC's option. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals may become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the contracting officer does so, and if the contracting officer agrees, in writing, to do so. The offeror's request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the contracting officer agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.

Section 6.10 ASSIGNMENT

The contractor may not transfer or assign any portion of the contract without prior written approval from the procurement officer.

Section 6.11 DISPUTES

In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the parties hereto shall attempt to settle the dispute, claim, question, or disagreement. To this effect, the parties shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If the parties do not reach such solution (or agree in writing to mediate the dispute) within a period of thirty (30) days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be referred to each party's cognizant senior management for resolution. In the event the parties' senior management cannot reach agreement on resolution of the dispute within a period of thirty (30) days, either party may seek relief in an arbitration court of competent jurisdiction.

The procedures set forth in this Article shall be the sole and exclusive procedures for the resolution of disputes between the parties arising out of or relating to this Agreement; provided, however, that a party may seek a preliminary injunction or other provisional judicial relief if, in its sole judgment, such action is necessary. Despite such action, the parties will continue to participate in good faith in the procedures specified in this Article.

Section 6.12 SEVERABILITY

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any

law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

Section 6.13 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or the proposal evaluation committee (PEC) are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the procurement officer or the PEC may be adjusted as a result of a clarification under this section.

Section 6.14 DISCUSSIONS WITH OFFERORS

AAC may conduct discussions with offerors. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the procurement officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the procurement officer. Discussions, if held, will be after initial evaluation of proposals by the procurement officer or the PEC. If modifications are made as a result of these discussions, they will be put in writing. Following discussions, the procurement officer may set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal. Offerors with a disability needing accommodation should contact the procurement officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

Section 6.15 CONTRACT NEGOTIATION

After final evaluation, the procurement officer may negotiate with the offeror of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals. If the highest-ranked offeror fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, AAC may terminate negotiations and negotiate with the offeror of the next highest-ranked proposal. If contract negotiations are commenced, they may be held via Zoom.

Section 6.16 FAILURE TO NEGOTIATE

If the selected offeror

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available for the project; or
- if the offeror and AAC, after a good faith effort, simply cannot come to terms,

AAC may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

Section 6.17 PROTEST

An interested party may protest the award of a contract, the proposed award of a contract, or a solicitation for supplies, services, construction, space leases, or professional services by the corporation. The protest

must be in writing and must include at least the following information:

- 1) the name, address, and telephone number of the protester;
- 2) the signature of the protester or the protester's designated representative;
- 3) identification of the solicitation or contract at issue;
- 4) a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and
- 5) the form of relief requested.
 - a. A protest based on alleged improprieties in an award of a contract or a proposed award of a contract must be received by AAC within five days after a notice of intent to award is issued by AAC. If the protester shows good cause, the procurement officer will, in that officer's discretion, consider a filed protest that is not submitted in a timely manner.
 - b. The procurement officer will immediately give notice of a protest to the contractor if a contract has been awarded, or if no award has been awarded, to all interested parties.
 - c. Within 10 days after a protest is filed, the CEO will issue a written decision containing the basis of the decision concerning the protest. A copy of the decision will be furnished to the protester by certified mail or by other means that provide evidence of delivery.
 - d. A written appeal from a protest decision must be received by the chair of the board, care of AAC, within five days after the decision is received by the protester and must include the following information:
 - i. a copy the decision being appealed; and
 - ii. identification of the factual or legal errors in the decision that form the basis for appeal;
 - e. The AAC Board or Directors will issue a final decision on an appeal within 90 days of receipt of the appeal.

SECTION 7. ATTACHMENTS

Section 7.01 ATTACHMENTS

- 1) Submittal Forms A-F
- 2) AAC Standard Terms and Conditions- Appendix A
- 3) Insurance and Indemnification- Appendix B