

**REQUEST FOR PROPOSALS FOR**

**SEC & PCAOB**

**AUDITING SERVICES**

SPUTNIK ENTERPRISES, INC.  
10781 Satellite Blvd  
Orlando, Florida 32837

ISSUE DATE: August 24, 2018

All Inquiries regarding this RFP should be sent only to:  
[rfp@sputnikenterprises.com](mailto:rfp@sputnikenterprises.com)

**NOTICE**

SPNI reserve the right to impose civil and criminal penalties for procurement violations such as bribes, gratuities, kickbacks, fraud and any other regulatory or statute violation.

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## **1. INTRODUCTION**

The Sputnik Enterprises, Inc. (SPNI) invites PCAOB Audit Firms (Offerors) to submit proposals in accordance with the outlines and specifications contained in this request for proposals (RFP). This RFP contains specific requests for information. In responding to this RFP, Offerors are encouraged to provide any additional information they believe is relevant.

## **2. SEQUENCE OF EVENTS**

<u>Event</u>	<u>Date</u>
A. Release of RFP	August 24, 2018
B. Submission of Proposals	August 31, 2018
C. Evaluation of Proposals and Selection	September 14, 2018

The selection date is subject to extension at the discretion of SPNI. The effective date of the Contract is tentative; it is dependent on the selection date, the length of time required for Contract negotiation and the length of time for processing the Contract.

The events identified in the schedule above are briefly described below.

**A. Release of RFP.** This RFP will be advertised online and via direct solicitation to PCAOB firms with existing issuer clients in SC, GA, NC and FL, and prospective Offerors may direct questions about the RFP to [rfp@sputnikenterprises.com](mailto:rfp@sputnikenterprises.com).

**B. Submission of Proposals.** Copies of the proposal and supporting documentation must be submitted to SPNI at [rfp@sputnikenterprises.com](mailto:rfp@sputnikenterprises.com). Proposals must be in the format specified in Paragraph 5 of this RFP and must be signed by the Offeror.

The deadline for receipt of proposals by SPNI is 2:00 p.m., August 31, 2018. Proposals will be time-stamped upon receipt.

All proposals must be submitted with the subject "Proposal for Auditing Services". All proposals must be addressed to:

[rfp@sputnikenterprises.com](mailto:rfp@sputnikenterprises.com)

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## **SEALED PROPOSAL**

A proposal may be modified by an Offeror prior to the deadline for submission of proposals by delivery of a written modification to rfp@sputnikenterprises.com. The email must be marked "Modification to Proposal for Auditing Services".

A proposal may be withdrawn prior to the deadline for submission of proposals by delivering written notice to rfp@sputnikenterprises.com.

Any proposal or modification received after the deadline for submission of proposals will be considered late. Unless a late proposal is the only one received, no late proposal or late modification will be considered unless it would have been timely but for the action or inaction of SPNI. Time limits will not otherwise be waived.

Proposals will not be opened publicly and will not be open to public inspection until after award of the Contract.

**C. Evaluation of Proposals and Selection of Offeror.** Proposals will be evaluated by SPNI using the criteria listed in Paragraph 7 of this RFP. During the evaluation process, SPNI may seek clarification from Offerors, but will NOT negotiate with Offerors.

The individual selected to perform the work and those individuals not selected will be notified in writing by SPNI. Selection does NOT constitute an obligation to contract with the successful Offeror.

### **3. AMENDMENTS TO RFP**

If there are any amendments to this RFP, they must be in writing and must be emailed to all individuals who received the RFP. Amendments must be distributed with sufficient time to allow Offerors to consider the amendments in preparing their proposals. If necessary, the deadline for submission of proposals will be extended by the amendment.

The written acknowledgment form emailed with the amendment must be completed by the Offeror and submitted with the proposal as evidence of receipt of the amendment.

### **4. CANCELLATION OF RFP; REJECTION OF PROPOSALS**

SPNI reserves the right to cancel this RFP at any time and for any reason.

Any and all proposals may be rejected in whole or in part when it is in the interest of SPNI to do so. SPNI is not responsible for the payment of any costs incurred by the Offeror in the preparation or submission of a proposal.

The issuance of this RFP, the receipt of proposals or the selection of a proposal in no manner obligates SPNI to the eventual purchase of services. This process is solely at the discretion of SPNI and may be terminated without penalty or obligation at any time prior to the signing of a written

contract.

## **5. PROPOSAL FORMAT**

Offerors must include the following information in their proposals:

A. Letter of Transmittal. Include the following information:

- (1) the name, address and telephone number of the Offeror;
- (2) the signature of the Offeror;
- (3) the date of the proposal;
- (4) a statement that the Offeror, if awarded the Contract, will comply with the Contract terms and conditions set forth in this RFP; and
- (5) a statement that the Offeror's proposal is valid for thirty (30) days after the deadline for submission of proposals.

B. Description of Services. Describe how the services will be provided or what tasks will be performed to accomplish the scope of work contained in Paragraph 6 of this RFP. (The scope of work indicates "what" the Offeror is supposed to do; the description of services should show "how" the Offeror intends to perform the services.)

C. Remuneration. The Offeror must state the maximum cost for each service(s) to SPNI pursuant to the Contract. The Offeror must state the hourly rate for which the services will be provided. The rate will be that agreed upon by SPNI and the Contractor.

D. Related Experience and Qualifications. The Offeror must include in the proposal educational degrees, prior experience and qualifications related to accomplishing the scope of work contained in Paragraph 6 of this RFP. This portion of the proposal must demonstrate the extent to which the Offeror is qualified to perform both the scope of work outlined in this RFP and the specific services contained in the description of services portion of the Offeror's proposal.

The Offeror's ability to meet the evaluation factors contained in Paragraph 7 of this RFP must be stated in this section of the proposal.

## **6. SCOPE OF WORK**

The Contractor will furnish services to SPNI as generally requested and directed by the CEO and Board of SPNI. Among the services to be provided by the Contractor are:

The Contractor shall conduct a financial audit of the general-purpose financial statements and the combining, individual fund and account group financial

statements of each subsidiary for the fiscal year ending December 31, 2017 (K), March 31, 2018 (Q) and June 30, 2018 (Q). The Contractor may also be required to re-audit December 31, 2016 (K) and December 31, 2015 (K) subject to legal opinion. The Contractor will also provide ongoing quarterly and annual audits. Such audit shall be conducted in accordance with *SEC and PCAOB reporting standards*.

## **7. EVALUATION**

The responsible Offeror whose proposal is most advantageous to SPNI will be selected to perform the services. The inclusion of cost as a factor does not require SPNI to select the lowest-cost proposal. The following evaluation factors will be considered in order of importance:

- (1) capability of firm (30%);
- (2) work requirements and audit approach (15%);
- (3) technical experience (40%);
- (4) firm strengths or weaknesses (5%); and
- (5) cost (10%).

## **8. CONTRACT TERMS AND CONDITIONS**

The Contract between SPNI and the successful Offeror will contain substantially the following terms and conditions in a form approved by the SPNI CEO and Board. In the letter of transmittal, the Offeror must include a statement agreeing to these terms and conditions.

A. Scope of Work. This portion of the Contract will be drafted following selection of an Offeror to perform the services. It will incorporate the scope of work in Paragraph 6 of this RFP.

B. Compensation. The total compensation will not exceed the limit specified in the Contract. The hourly rate(s) will be specified in the Contract.

C. Term. The Contract will be effective on the date it is approved by the CEO and Board. The Contract may be a multi-term contract and may contain provisions for renewal for periods cumulating not more than one (1) years from the effective date of the initial Contract.

D. Termination. The Contract may be terminated by either of the parties upon written notice delivered to the other party at least ninety (90) days prior to the intended date of termination. A party may not nullify obligations or liabilities already incurred for performance or for failure to perform prior to the date of termination.

E. Status of Contractor. The Contractor is an independent contractor performing professional services for SPNI and is not an employee of the SPNI. The Contractor will not accrue leave, retirement, insurance, bonding, use of vehicles or any other benefits afforded to employees of the SPNI by virtue of the Contract.

F. Assignment. The Contractor may not assign or transfer any interest in the Contract or assign any claims for money due or to become due under the Contract without the prior written approval of SPNI.

G. Subcontracting. The Contractor may not subcontract any portion of the services to be performed under the Contract without the prior written approval of SPNI.

H. Records and Audit. The Contractor must maintain detailed time records that indicate the date, time and nature of services rendered. These records are subject to inspection by SPNI. SPNI has the right to audit billings both before and after payment. Payment under the Contract does not foreclose the right of SPNI to recover excessive or illegal payments.

I. Release. The Contractor will, upon final payment of the amount due under the Contract, release SPNI, its officers and employees and the SPNI from all liabilities, claims and obligations whatsoever arising from or under the Contract. The Contractor may not purport to bind the SPNI to any obligation not assumed in the Contract by the SPNI, unless the Contractor has express written authority from SPNI to do so, and then only within the strict limits of that authority.

J. Confidentiality. Any information provided to or developed by the Contractor in the performance of the Contract must be kept confidential and may not be made available to any individual or organization without the prior written approval of SPNI.

K. Product of Service; Copyright. All work and rights to work produced, developed or acquired by the Contractor under the Contract, including ownership of any copyrights to work produced under the Contract, shall be transferred to and become the exclusive property of the SPNI, and all materials developed or acquired under the Contract shall be delivered to SPNI not later than the termination date of the Contract. The Contractor and SPNI acknowledge that the compensation paid to the Contractor is due consideration for transfer of ownership of any copyrights for work produced under the Contract.

L. Conflict of Interest. The Contractor must warrant that the Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict with the performance of services required under the Contract.

M. Amendment. The Contract may not be altered, changed or amended except by an instrument in writing executed by the parties.

N. Merger. The Contract incorporates all of the agreements, covenants and understandings between the parties thereto concerning the subject matter thereof. No prior agreement or understanding, verbal or otherwise, of the parties is valid or enforceable unless embodied in the Contract.

O. Applicable Law. The Contract will be governed by the laws of the Nevada.

P. Waiver. No waiver of any breach of the Contract or any of its terms or conditions shall be a waiver of any other or subsequent breach; a waiver is not valid unless it is in writing and signed by the party granting the waiver.

Q. Insurance. The Contractor shall maintain professional liability insurance covering any error or omission committed during the term of the Contract. The Contractor shall provide proof of such insurance to SPNI with the firm profile. The amount maintained should be commensurate with risk assumed. The Contractor must provide to the SPNI, prior to expiration, updated insurance information.

R. Notice. SPNI reserve the right to impose civil and criminal penalties for procurement violations such as bribes, gratuities, kickbacks, fraud and any other regulatory or statute violation.

S. Equal Opportunity Compliance. The Contractor must comply with all federal and state laws pertaining to equal employment opportunity. In accordance with all such laws, the Contractor must assure that no person in the United States shall, on the grounds of race, color, national origin, sex, sexual preference, age or handicap, be excluded from employment with or participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity performed under the Contract. If the Contractor is found to be not in compliance with these requirements during the life of the Contract, the Contractor must take appropriate steps to correct these deficiencies.