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Governor
Maurice "Mo" Green
State Superintendent

Award Recommendation Memo

To: NC State Board of Education

From: Nicole Mathis
Department of Public Instruction
Procurement@dpi.nc.gov

Date: October 21, 2025

Subject: Contract Award Recommendation
#24-RQ233245-NM, STC 8411A – Operational/Performance Audit

Reference #: Agency Solicitation #24-RQ233245-NM

Enclosed for your review and approval is the award recommendation for #24-RQ233245-NM, STC 8411A – Operational/Performance Audit

Offers received pursuant to a Request for Quote have been reviewed and the Department of Public Instruction hereby requests approval to award the contract as follows:

Description: #24-RQ233245-NM, STC 8411A – Operational/Performance Audit
Recommended Vendor: Mauldin & Jenkins, LLC.
Cost: \$97,770.00
Contract Term: upon contract award (execution) for six (6) months.

Thank you for your assistance. If additional information is required, please do not hesitate to contact me.

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Section 1: Introduction

In the spring of 2025, Winston-Salem/Forsyth County Schools (WS/FCS) reported a budget deficit of approximately \$46 million for Fiscal Year 2025. A Rapid Response Report from the North Carolina Office of the State Auditor (OSA) identified multiple contributing factors, including:

1. Failure to align staffing with declining student enrollment.
2. Reliance on temporary COVID-era federal funds to support permanent positions.
3. Approval of purchase orders exceeding account budgets without timely adjustments.
4. Lack of timely reconciliation of budgeted versus actual revenues and expenditures.
5. Continuation of discretionary bonus payments despite limited resources.
6. Improper use of suspense accounts.
7. Inadequate budgeting for contractual obligations.

The OSA further noted that WS/FCS failed to correct prior audit findings, contributing to persistent weaknesses. The Superintendent and Chief Financial Officer resigned in the aftermath.

WS/FCS continues to undergo its annual independent financial audit. This request for quote seeks a complementary engagement— one that does not duplicate the work of OSA or the independent auditor, but instead evaluates the adequacy and effectiveness of current controls, including any new controls, policies, and procedures implemented since the deficit was uncovered.

This engagement is authorized under N.C. Gen. Stat. § 115C-447 (b). The North Carolina Department of Public Instruction (NCDPI) issues the request for quote and does so on behalf of the State Board of Education (SBE) and Local Government Commission (LGC).

NCDPI, acting on behalf of the SBE, will serve as the lead oversight body, providing guidance and direction throughout the review process. WS/FCS is the primary beneficiary of this review, and the review findings will be used to inform future financial management and governance practices.

The following attachments are provided as additional background and are attachments to the RFQ:

- A. State Auditor Rapid Response Special Report
- B. WS/FCS FY24 Financial Statements
- C. WS/FCS FY23 Financial Statements

Section 2: Timeline

Date	Milestone
RFQ Issued	October 2, 2025
Questions Due	October 9, 2025, by 10AM ET; no questions received
RFQs Due	October 20, 2025, by 10 AM ET
Administrative Review	October 21, 2025
Evaluation	October 21, 2025
Contract Award	TBD

Section 3: Solicitation Process

Contract will be awarded based on lowest cost meeting specifications. Offers will be evaluated, and award made, based on the below factors listed in order of importance.

Quotes will be evaluated based on the Vendor response to the following items:

1. Cost-effectiveness (Section 12).

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2. Ability to meet deadlines (SECTION 11: METHODOLOGY FOR COMPLETION OF WORK, E. Work Plan / Technical Approach, 3. Timeline).
3. Demonstrated understanding of K-12 finance and governance & Strength and clarity of the proposed methodology (SECTION 11: METHODOLOGY FOR COMPLETION OF WORK, E. Work Plan / Technical Approach).
4. Experience and qualifications in internal control reviews of large public sector organizations (SECTION 11: METHODOLOGY FOR COMPLETION OF WORK, C. Qualifications, Related Experience, and References).
5. Qualifications of the proposed team (SECTION 11: METHODOLOGY FOR COMPLETION OF WORK, D. Staffing and Project Organization).

Administrative Review

Vendor	Responsive Indication	Reason for Deeming Non-Responsive (Rejected)	Cost
1. Dave Jahosky, Mauldin & Jenkins LLC – djahosky@mjcpa.com – SOW response received on 10/17/25	Yes	N/A	\$97,770.00
2. Jennifer Tobin, Cherry Bekaert LLC – jennifer.tobin@cbh.com – SOW response received on 10/18/25	Yes	N/A	\$99,885.00

Summary of Responses

Vendor	SOW ITEMS	Administrative Review
1. Dave Jahosky, Mauldin & Jenkins LLC –	A. Cover Letter B. Table of Contents C. Qualifications, Related Experience, and References D. Staffing and Project Organization E. Work Plan / Technical Approach/Timeline	A. Yes B. Yes C. Yes D. Yes E. October-December 2025; Formal Presentation February 15, 2026
2. Jennifer Tobin, Cherry Bekaert LLC –	A. Cover Letter B. Table of Contents C. Qualifications, Related Experience, and References D. Staffing and Project Organization	A. Yes B. Yes C. Yes D. Yes E. October-December 2025; Public Presentation February 15, 2026

	E. Work Plan / Technical Approach/Timeline	
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Quotes were to be submitted electronically by email to procurement@dpi.nc.gov. Lengthy narratives were discouraged; quotes were to be brief, clear, and concise, and exclude promotional material(s). Proposers were asked to use the outline below in organizing and submitting their responses:

A. Cover Letter

The cover letter shall include:

1. Identification of the proposer, including legal business name, address, and telephone number.
2. Contact information for the proposer's authorized representative (name, title, address, telephone number, and email).
3. A statement that the quote shall remain valid for at least ninety (90) days from the submission due date.
4. Signature of a person authorized to bind the proposer contractually.

B. Table of Contents

Immediately following the cover letter, include a complete table of contents with page numbers for all sections.

C. Qualifications, Related Experience, and References

1. Overview

Establish the proposer's qualifications to perform the required work, including demonstrated competence in public sector financial controls, relevant engagements with large school systems or governmental entities, a record of meeting deadlines, and distinguishing competitive advantages.

2. Firm Background

Provide background on your firm, including year founded, legal form, number and location of offices, principal lines of business, and number of employees. Disclose any financial or legal conditions (e.g., bankruptcy, litigation, mergers) that may affect your firm's ability to perform. Certify that the firm is not debarred, suspended, or otherwise ineligible to contract with public agencies.

3. Relevant Qualifications

Highlight your firm's most noteworthy qualifications for this engagement, especially in school finance, internal controls, ERP systems, or governance reviews.

4. Prior Work

List comparable engagements, particularly with K–12 school districts or large public organizations.

5. References

Provide at least three (3) current clients (school system references preferred). Include contact name, title, phone, email, and description of services provided.

6. Affiliations

If your organization is a subsidiary of a parent firm, provide background information on the parent company and identify affiliated companies.

7. Conflicts of Interest

Disclose any actual or potential conflicts of interest related to this engagement.

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8. Insurance

Provide certificates of insurance showing the types and amounts of coverage carried by your firm.

D. Staffing and Project Organization

1. Overview

Identify the staff who would be assigned, their projected time commitment, and reporting relationships.

2. Key Personnel

Provide qualifications and current responsibilities for all key staff proposed for the project. Designate a Project Director who will ultimately be responsible, and a Project Manager who will serve as day-to-day contact. Include résumés (no longer than two pages) as an appendix.

3. Organization Chart

Provide a simple chart showing communication and reporting relationships among project staff.

E. Work Plan / Technical Approach/Timeline

1. Overview

Demonstrate your firm's understanding of the scope of services and ability to meet requirements.

2. Approach

Proposers shall describe in detail how their firm will accomplish the work and satisfy the expectations of this Scope of Work. At a minimum, the approach must:

- A. Demonstrate an understanding of the issues that led to the WS/FCS deficit and the need for a forward-looking, value-added review.
- B. Outline the methodology the firm will use to evaluate each area of the Scope of Services, including:
 - Internal Controls and Fiscal Policies/Procedures
 - Purchasing and Contract
 - Financial Reporting and Transparency
 - Audit Findings and Corrective Actions
 - Identification of Needed Internal Controls
 - Implementation roadmap
- C. Describe data collection methods (e.g., document review, interviews, ERP system testing, comparative analysis).
- D. Identify anticipated challenges or limitations and how they will be addressed.
- E. Show how recommendations will be made actionable, prioritized, and tailored to WS/FCS's capacity and resources.

3. Timeline

Provide a proposed timeline, with milestones tied to deliverables, demonstrating the ability to meet the **December 31, 2025, deadline**. The Vendor shall include any exceptions to meeting the deadline of December 31, 2025, with its response.

- The Vendor responses were provided to the stakeholders for review.
- Indicate what happened next, breaking out sections, steps, outcomes to include:
 - Clarifications – N/A

- Negotiations – N/A
- Reference Checks – N/A

Section 4: Efforts at HUB Participation

No applicable

Section 5: Award Recommendation

Considering the reasons in Section 3.0, DPI respectfully awards the contract to Mauldin & Jenkins, LLC., in the amount of \$97,770.00. The term of the contract will be upon contract execution for a period not to exceed 6 months.

In support of its request, DPI has provided the following supporting documentation in the SharePoint file and the DPI Contract Database:

1. Original Statement of Work and Attachments
2. Vendor Responses – two (2)
3. Award Recommendation Memo
4. Vendor Response Cost Sheets (Screenshot included below)

Proposal Number: DPC-646236801-MT (24-RQ23325-NM) Vendor: Mauldin & Jenkins, LLC
SECTION 12: COST (AND PROJECT HOURS)

1. **Vendor must complete the information below. Failure to provide the information below shall result in rejection of the Scope Statement.**
2. Vendor shall offer a firm fixed price all inclusive of labor, materials, general and administrative overhead, and profit. The total amount to be paid by North Carolina Department of Public Instruction under this Contract shall not exceed the amount as stated in the table below. The State does not guarantee a minimum or maximum number of hours.
3. Vendor shall include a fee proposal detailing professional fees, hourly rates (if applicable), and reimbursable expenses.
4. Hourly rates shall not include ranges (i.e., \$100-\$200); **see the Vendor pricing in STC 8411A.**

Operational/Performance Audit			
Position (Staff)	Hourly Rate	Estimated Number of Hours	Total Cost (Rate x Staff x Hours)
1. Staff Base Rate	\$ <u>175</u>	\$ <u>210</u>	\$ <u>36,750</u>
2. Staff Upper Rate	\$ <u>215</u>	\$ <u>180</u>	\$ <u>38,700</u>
3. Supervisor	\$ <u>250</u>	\$ <u>60</u>	\$ <u>15,000</u>
4. Manager	\$ _____	\$ _____	\$ _____
5. Executive	\$ <u>305</u>	\$ <u>24</u>	\$ <u>7,320</u>
6. Other _____	\$ _____	\$ _____	\$ _____
7. Other _____	\$ _____	\$ _____	\$ _____
8. Other _____	\$ _____	\$ _____	\$ _____
Total Extended Cost			\$ <u>97,770</u>

SECTION 13: ATTACHMENTS

- 1) WS/FSC 2025 Rapid Response Special Report
- 2) WS/FSC 2023 Audit Report
- 3) WS/FSC 2024 Audit Report



Cost (and Project Hours)

We understand and appreciate your desire for professional service providers who are both qualified and cost-effective. Our hourly rates below are aligned with NC STC#8411A and represent a significant discount from our standard hourly rates. Our fee estimate is based on our understanding of the scope and nature of the services requested.

Position	Hourly Rate	Estimated Number of Hours	Total Cost (Rate x Staff x Hours)
Staff Base Rate	\$155	254	\$39,370
Staff Upper Rate	\$191	145	\$27,695
Supervisor	\$223	100	\$22,300
Executive	\$264	40	\$10,520
Total Extended Cost			\$99,885