

Request for Proposal

District XI Human Resource Council

Request for Proposal
For audit services under Uniform Guidance (2 CFR 200)

For the period

7/1/2019 to 6/30/20

Inquiries and proposals should be directed to:

Name: Dayton J. Scott

Title: Senior Accountant

Entity: District XI Human Resource Council

Address: 1801 S Higgins, Missoula, MT 59801

Phone: 406-728-3710

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General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial audit for the year ending 6/30/2020. The proposal includes options for up to four additional years.

B. Who May Respond

Only licensed certified public accountants may respond to this RFP.

C. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on 5/31/2020.
2. Inquiries: Inquiries concerning this RFP should be directed to Dayton Scott 728-3710 ext 238, djs@hrcxi.org
3. Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by *District XI Human Resource Council*.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Name: Dayton J. Scott
Title: Senior Accountant
Entity: District XI Human Resource Council
Address: 1801 S Higgins
Missoula, MT 59801

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal
4:30 p.m. 5/31/20
Sealed Proposal
For Audit Services

5. Electronic Submissions: Proposals can be submitted electronically to the following e-mail address: info@hrcxi.org, tagged "Audit Services Proposal" by the closing submission date noted above.

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to ensure that District XI Human Resource Council receives the proposal by the date and time specified above.

Late proposals will not be considered.

6. Right to Reject: District XI Human Resource Council reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based on the factors described in this RFP.
7. Small and/or Minority-Owned Businesses: Efforts will be made by District XI Human Resource Council to utilize small businesses and minority-owned businesses. An Offeror qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).
8. Notification of Award:
 - a. It is expected that a decision about selecting the successful audit firm will be made within 8 weeks of the closing date for the receipt of proposals.
 - b. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.
 - c. It is expected that the contract shall be a one-year, fixed-price contract with options for four additional one-year periods.

D. Description of Entity and Records to Be Audited

District XI Human Resource Council is a nonprofit organization that serves 3 counties in Montana. District XI Human Resource Council is a private, nonprofit corporation and has been determined to be exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. A 12-member volunteer Board of Directors governs it. The board of directors is comprised of one-third directors from the governmental sector, a minimum of one-third elected low-income representatives and the remaining directors from the private sector. Administrative offices and all records are located at 1801 S Higgins, Missoula, MT 59801. Other offices are located at 303 N 3rd, Hamilton, and 211 3rd Ave W, Superior Montana.

District XI HRC is a Community Action Partnership Agency (CAP). As a CAP agency, it administers anti-poverty funds in Mineral, Missoula, and Ravalli Counties of Western Montana, HRC is responsible for the maintenance of cash funds and other resources for the various grants received. The audited combined financial statements include over \$3,000,000 of expenditures in federal awards, and other funds under the control of HRC's board of directors, including single-member disregarded entities and subsidiaries of HRC. HRC is a participant in the Montana Public Employees Retirement System (PERS). The audited financial statements include the transactions of HRC including controlled entities, their databases of which are all maintained on Abila MIP fund accounting software. MIP software modules include GL, Payroll, EWS, HR, AR, and AP. Payroll is automated using electronic timesheets and MIP Payroll and HR. HRC, its single-member disregarded entities and subsidiaries have 14 bank accounts. The records for the prior audit 06/30/19 are available for review by the Offeror prior to proposal submission.

E. Options

At the discretion of *District XI HRC* this audit contract can be extended for four additional one-year periods. The cost for the option periods will be agreed on by District XI HRC and the Offeror. It is anticipated that the cost for the optional years will be based on the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

Specification Schedule

A. Scope of a Financial Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of Montana, hereinafter referred to as the "Offeror" to perform a financial audit of *District XI HRC*.

B. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to *District XI HRC's* Executive Director. The draft audit report is due on *1/31/21*.

The Offeror shall deliver (12) final audit reports to *District XI HRC's* Board of Directors no later than *2/15/21*.

Reports may be submitted earlier than the schedule above. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports that do not conform to all of the provisions of this contract, District XI HRC may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances, the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

C. Price

The Offeror's proposed price should include a not-to-exceed total fee, a fee per service (audit services, tax services, etc.), and the average hourly billing rate by position. Any out-of-pocket expenses should also be indicated.

D. Payment

Payment will be made when *District XI HRC* has determined that the total work effort has been satisfactorily completed. Should *District XI HRC* reject a report, *District XI HRC's* authorized representative will notify the Offeror in writing of such rejection, giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that *District XI HRC* can determine that satisfactory progress is being made.

Upon delivery of the (12) copies of the final reports to *District XI HRC* and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

E. Exit Conference

An exit conference with *District XI HRC*'s representatives and the Offeror's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with *District XI HRC*. This should include internal control and program compliance observations and recommendations.

F. Workpapers

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. Upon request, the Offeror will provide a copy of any other workpapers the auditee deems relevant.

Technical Qualifications

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience, including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing (*type of entity*).
2. Prior experience auditing nonprofit organizations.

B. Value-Added Services Beyond the Audit

The Offeror should include an explanation of other services that can and have been provided to organizations similar to *District XI HRC*. Value-added services provide efficiencies and improved compliance that contribute to the continued success of *District XI HRC*. Value-added services can include consulting and training services as well as industry-specific products.

C. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed), and structure. Description should include:

1. Size of the Offer, including number of employees and physical site locations,

2. Explanation of independence.
3. Any conflicts of interest that exist.
4. Results of peer review.
5. Explanation if the Offer is a small or minority-owned business or women's business enterprise.

D. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members. Include résumés of only the staff to be assigned to the audits. Include education, position in firm, years with the firm, industry-specific experience, and relevant training.

E. Audit Approach to the Engagement

The Offeror should describe its understanding of the work to be performed, including audit procedures, estimated hours, and other pertinent information.

F. Certifications

The Offeror must sign and include, as an attachment to its proposal, the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by *District XI HRC*, because *District XI HRC* desires to contract only with an Offeror who is already familiar with these publications.

Proposal Evaluation

A. Submission of Proposals

All proposals shall include two copies of the Offeror's technical qualifications, two copies of the pricing information, and two copies of the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received on a timely basis in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.

C. Proposal Evaluation

Evaluation of each proposal will be scored on the following six factors:

1. Prior audit experience	Point Range
a. Prior experience auditing (<i>type of entities</i>)	0 – 15
b. Prior experience auditing nonprofit organizations	0 – 15
<i>District XI HRC</i> will contact prior audited organizations to verify the experience provided by the Offeror.	
2. Value-added services beyond the audit	0 – 5
3. Organization, size, and structure of Offeror's firm (consider size in relation to audits to be performed)	
a. Adequate size of the firm	0 – 2
b. Proper independence & no conflict of interest	0 – 2
c. Capacity and capability to perform requested services	0 – 2
d. Results of peer review	0 – 2
e. Minority-owned/small business/women's business enterprise	0 – 2

4. Qualifications of staff to be assigned to the audits to be performed. This will be determined from résumés submitted. Include education, position in firm, and years and types of experience.

a. Prior experience of the individual audit team members	0 – 15
b. Overall supervision to be exercised	0 – 5
5. Offeror’s audit approach to the engagement	
a. Adequate coverage	0 – 5
b. Responsiveness in providing info requested in the RFP	0 - 5
c. Realistic time estimates of each audit step	0 – 5
6. Price	0 – 20
Maximum Points	100

D. Review Process

District *XI HRC* may, at its discretion, request presentations by or meetings with any or all Offerors to clarify or negotiate modifications to the Offerors’ proposals.

However, *District XI HRC* reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

District XI HRC contemplates award of the contract to the responsible Offeror with the highest total points.

Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
6. The individual signing certifies that the Offeror is a properly licensed certified public accountant.
7. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
8. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state, or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20_____.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)

Appendix

A. Sample Proposal Evaluation

Using the attached form, board/audit committee members who are part of the proposal evaluation process score proposals. Evaluation of each proposal will be scored on the factors below. Total points will be calculated from each board/audit committee member, providing a total point value for each responding Offeror. The Offeror, meeting all of the outlined criteria, that also accumulates the highest total point value, will be awarded the contract.

Proposal Evaluation		
Prior audit experience	Point Range	Points Earned
Prior experience auditing (<i>type of entity</i>)	0 - 15	
Prior experience auditing nonprofit organizations	0 - 15	
Value-added services beyond the audit	0 - 5	
Organization, size, and structure of Offeror's firm		
Adequate size of the firm	0 - 2	
Independence/ No conflict of interest	0 - 2	
Capacity and capability to perform requested services	0 - 2	
Results of peer review	0 - 2	
Minority-owned/small business/women's business enterprise	0 - 2	
Qualifications of staff to be assigned to the audits to be performed		
Prior experience of the individual audit team members	0 - 15	
Overall supervision to be exercised	0 - 5	
Offeror's audit approach to the engagement		
Adequate coverage	0 - 10	
Responsiveness in providing info requested in the RFP		
Realistic time estimates of each audit step	0 - 5	
Price	0 - 20	