

REQUEST FOR PROPOSAL (RFP)

FOR

Audit Services

Issue Date: January 3, 2025

Submission Deadline: January 24, 2025

SUBMIT PROPOSAL TO:

**Whitney Quick
wquick@spcaa.org**

SPCAA, Inc is an Equal Opportunity employer/program. Historically Underutilized Businesses (HUB's) are encouraged to apply. Auxiliary aids and services are available upon request to individuals with disabilities. Telephone access is available through (TDD) 1-800-RELAY TX, VOICE 1-800-RELAY VV

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TIMETABLE OF RFP EVENTS

ACTION	ON
RFP posted, made available for distribution	January 3, 2025
Deadline for questions submitted to wquick@spcaa.org regarding RFP	January 10, 2025
Proposal deadline: Proposals must be received via email by 3:00 p.m. to wquick@spcaa.org	January 24, 2025
Review and evaluation process begins	January 27, 2025
Selection of winning proposal subject to SPCAA Board approval	February 7, 2025
Agreement/Contract for Deliverables and Services Initiated	February 28, 2025

I. GENERAL SPECIFICATIONS

A. Request

South Plains Community Action Association, Inc. (SPCAA) is requesting proposals from qualified sources for the provision of audit services.

B. Purpose

The purpose in soliciting Request for Proposal (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 a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of South Plains Community Action Association, Inc.

C. Deadline for Submission

The deadline for submission of proposals is **3:00 p.m. January 24, 2025**. Proposals should only be submitted via email, addressed to:

wquick@spcaa.org

D. Submission Requirements

To be considered responsive and receive an evaluation, a proposal must fully address all sections of the RFP.

In addition, be sure to submit the following:

- 1) Complete Certification of Compliance form found in the RFP
- 2) Read, sign, date and submit the Assurances and Other Certifications forms in the RFP

Proposals that do not include all requested information will be considered incomplete and will not be considered for contract award.

It is the responsibility of the Offeror to ensure that the proposal is received by the date and time specified above. LATE PROPOSALS WILL NOT BE CONSIDERED.

E. Inquiries & Contact Person

All questions concerning this RFP packet should be directed to: **Whitney Quick, Finance Director**, at wquick@spcaa.org.

Questions received via email by noon on January 10, 2025, will receive a response.

A summary of submitted questions and responses will be posted to www.spcaa.org throughout the RFP process; please monitor the website for access to additional information that is made available to proposing firms. A copy of the previous year's audit report is available upon request.

F. Limitations and Reservations

South Plains Community Action Association, Inc. reserves the right to accept or reject any and all proposals received as a result of this request, to negotiate with all qualified sources, or to cancel in part or in its entirety this RFP, if found to be in the best interest of SPCAA.

This RFP does not commit SPCAA to award a contract, to pay any costs incurred for the preparation of proposals or to procure or contract for any services.

SPCAA specifically reserves the right to vary the provisions set forth herein anytime prior to the execution of a contract where such variance is deemed to be in the best interest of the needs of SPCAA.

If selected for negotiations, proposer may be required to prepare and submit additional information prior to final vendor(s) selection, in order to reach terms for the provision of services, which are agreeable to both parties.

G. Small and/or Minority-Owned Businesses

Efforts will be made by South Plains Community Action Association 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).

H. Notification of Award

It is expected that a decision selecting the successful audit firm will be made pending Board approval in February 2025.

It is expected that a standard agreement/contract from South Plains Community Action Association, Inc. will be offered for 1 year, with renewal options for up to four (4) additional years.

I. Time Line

The successful Offeror agrees to begin providing services within thirty (30) consecutive calendar days from signed agreement/contract. Should the work not begin within the specified time, then negotiations will be terminated.

J. Modification and Renewals

SPCAA reserves the right to negotiate a modification or renewal for Audit Services in connection with any executed agreement/contract funded through this RFP without repeating the RFP process for a period of up to four (4) years from the original proposal initiation.

Vendor modifications and renewals shall be considered based upon the vendor's ability to meet SPCAA's needs.

K. Signatures

A proposal shall be signed by the Offeror authorized to bind that business and shall contain a statement to the effect that the proposal is a firm bid for a thirty (30) day period from the date that the proposal is received by SPCAA. The proposal shall also provide the name, title, address and telephone number of the individual(s) with authority to negotiate during the period of proposal evaluation.

L. Evaluation Criteria

The selection of a proposal is to be made after a careful evaluation of the proposals received. Each proposal will be evaluated for acceptability with emphasis on the various factors enumerated in the EVALUATION TABLE. Each factor is assigned a numerical score. The scores will be used to determine audit firm with whom negotiations may be conducted.

Evaluations will be based upon the criteria table for which up to 100 points may be awarded. Total evaluation values of less than 70 points will invalidate a proposal. (Refer to Proposal Evaluation section for more details.)

M. Protest Rights

All protests or complaints regarding this RFP process shall be referred to the SPCAA Grievance Procedures for resolution. Copies of such procedures may be obtained from SPCAA upon request.

N. Conflict of Interest

To avoid any real or apparent conflict of interest in the procurement of this RFP, no SPCAA employee or their family member may vote on or financially benefit from any award connected with this request.

O. Subcontracting

The services of any Audit firm awarded from this RFP must be delivered by the Audit firm named on the proposal. Subcontracting will not be allowed, unless prior authorization from SPCAA is given.

II. SPECIFICATIONS CRITERIA SCHEDULE

South Plains Community Action Association, Inc. (SPCAA) is a nonprofit organization providing services in over 100 counties in Texas. SPCAA 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. It is governed by a 21-member volunteer Board of Directors. Administrative offices and records are located at 411 Austin Street, Levelland, Texas. Other offices are located throughout the geographic service area, encompassing over 100 counties in Texas.

SPCAA operates an annual budget of approximately \$70 million, the majority of which come from federal and state funded grants, requiring state and federal single audits. The organization employs approximately 650 employees. SPCAA operates with a February 28 (29) fiscal year-end, with a requirement to file the audit report by November 30 of each year.

A. Scope of a Financial and Compliance Audit

Government Audit Standards, states on page 2-1: "Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements."

This audit must comply with requirements as stipulated in the Uniform Guidance, OMB 2 CFR Part 200.514.

B. Description of Programs/Contracts/Grants

SPCAA receives funding from the following state and federal sources:

Federal Agency:	Program Title:
Department of Labor	Workforce Development
Department of Energy	Weatherization
Department of Housing and Urban Development	HIV Housing Assistance
Department of Health and Human Services	Head Start, Sr Companion, Child Care, CSBG, Energy Assistance Program, Ryan White
Department of Agriculture	WIC, SNAP, CACFP
Department of Transportation	Urban Transportation, Bus Facilities, Senior Mobility

State Agency:	Program Title:
Department of State Health Services	Primary Care, Ryan White State Services
Texas Department of Transportation	Urban Transportation

C. Services to Be Performed

- Perform the annual audit of SPCAA for the fiscal year of **March 1, 2024 through February 28, 2025**. The Offeror is required to prepare audit reports in accordance with the Government Audit Standards, and State of Texas Single Standard Audit.
- Present the audit report to the full Board of Directors at November board meeting.
- Upload the audit to the Federal Audit Clearinghouse portal.
- Prepare SPCAA’s annual Form 990 tax return and submit to IRS within time requirements.
- Present the audit report to SPCAA’s Head Start Policy Council at a meeting date to be determined, typically held in Lubbock, TX.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to SPCAA’s Executive Director and Finance Director. **The draft audit report is due on October 1st, of each year.**

The Offeror shall deliver 40 final audit reports to SPCAA’s Board of Directors at the regularly scheduled November board meeting of each year.

Reports may be submitted earlier than the above schedule. 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 which do not conform to all the provisions of this contract, SPCAA may, by written notice of default to the Offeror, terminated the whole or any part of his contract. Under certain extenuating circumstances the contracting agency may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror’s proposed price should be submitted with this proposal. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates and total cost by staff level. Any out-of-pocket expenses should also be indicated.

F. Payment

Payment will be made when SPCAA has determined that the total work effort has been satisfactorily completed. Should SPCAA reject a report, SPCAA’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.

G. Audit Review

All audit reports prepared under this contract will be reviewed by SPCAA and its funding sources to ensure compliance with General Accounting Office's (GAO) Government Audit Standards and other appropriate audit guides.

H. Exit Audit Conference

An exit audit conference with SPCAA's representatives and the Offeror's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with SPCAA. It should include internal control and program compliance observations and recommendations.

I. 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. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and SPCAA.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to SPCAA, the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to those employees on the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to immediately notify, in writing, SPCAA's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 – Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically required that such audits be in compliance with government audit standards, guides, procedures, statutes, rules and regulations in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefore.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror shall include a narrative detailing the following areas in its proposal:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone number of prior organizations audited. Please include any relevant experience in the following categories:

- Prior experience auditing 501 (c) 3 entities, specifically those with federal grant funds.
- Prior experience performing Federal and/or State Single Audits.
- Prior experience auditing community action agencies.
- Prior experience auditing companies with annual budgets of at least \$40 million.

B. Organization, Size, and Structure of Firm

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. **Offeror must include a copy of the most recent Peer Review**, if the Offeror has had a Peer Review.

C. 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 and professional licenses of the individual audit team members.

Only include credentials of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

D. Understanding of Work to be Performed

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

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include:

- A narrative of the information requested in the sections above
- A copy of the most recent peer review
- Complete pricing information
- Copies of the signed certifications (Attachments 1,2, and 3).

B. Non-Responsive Proposals

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

- The proposal is not received timely in accordance with the terms of this RFP.
- The proposal does not follow the specified format.
- The proposal does not include the Certifications.
- The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the government Audit Standards of the U.S. Comptroller General.

C. Evaluation

Each proposal shall be evaluated using the following scoring matrix:

FACTOR	Points Available	Points Awarded
1. Prior audit experience: Extent of experience auditing 501 c 3 entities, grant funded entities, performing single audits, etc.	30	
2. Organization, size and structure of Offeror's firm: CPA firm has the capacity to successfully complete audit, peer review does not indicate any deficiencies.	20	
3. Qualifications of staff to be assigned to the audits to be performed: CPA firm maintains necessary licenses of the firm and the staff assigned to this audit.	15	
4. Offeror's understanding of work to be performed: Proposal demonstrates an understanding of the required work, including realistic budget of time required.	15	
5. Price: Proposal includes detailed price estimates; pricing is reasonable and competitive.	20	
MAXIMUM POINTS:	100	

D. Review Process

SPCAA may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, SPCAA 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.

SPCAA anticipates award of the contract to the Offeror with the highest total points.

CERTIFICATION OF COMPLIANCE WITH SPECIFICATIONS

This is to certify that to the best of the undersigned's knowledge and belief, the data in this application is responsive and is true and correct. The undersigned understands that a non-responsive application, as defined by South Plains Community Action Association, Inc., may not be reviewed and considered for agreement/contract selection. Further, the submission of the application has been authorized by the governing body of the Offeror.

Please indicate which best represents your business.

<input type="checkbox"/> Is Business a HUB vendor? (Historically Under Utilized Business)	_____ (Signature)	_____ (Date)	
<input type="checkbox"/> Is Business a DBE vendor? (Disadvantaged Business Enterprise)	_____ (Type Name and Title)		
<input type="checkbox"/> Is Business a Minority Owned Business?	_____ (Type name and Title of person authorized to negotiate a contract if different from person listed above)		
<input type="checkbox"/> Business is part of a larger company. (Please Specify)	_____ (Organization)		
_____ _____ _____ _____	_____ (Address)		
<input type="checkbox"/> Other (Please Specify)	_____ (City)	_____ (State)	_____ (Zip)
_____ _____ _____ _____	_____ (Telephone)		

ASSURANCES

We understand and agree that this proposal is not a contract and does not obligate the South Plains Community Action Association, to pay for costs incurred in the preparation of this proposal or costs incurred prior to the execution of a written contract or prior to the receipt of funds designated for this program from the funding agency.

We understand and agree that the contract provisions may vary from the provisions set forth in this request, when deemed necessary by the South Plains Community Action Association, however, we agree to abide by the contract provisions contained in the proposed contract.

We understand and agree that the South Plains Community Action Association, may utilize information provided outside of this request in evaluating this proposal.

We understand and agree that we may be subject to an on-site review and must be able and willing to provide documentation of information in the proposal at the request of the South Plains Community Action Association prior to execution of a contract.

We understand and agree that the South Plains Community Action Association has the right to reject any and all proposals and negotiate outside of the terms of this proposal.

We understand and agree that the South Plains Community Action Association, is not required to select the lowest cost proposal.

We understand and agree that any material misrepresentation or deliberate omission of a fact in this proposal may be justification for rejection of the proposal.

We understand and agree to abide by all federal, state and local laws, policies and regulations governing these and those additional rules which may be promulgated, or as amended, subsequent to the execution of a contract.

We understand and agree that we may be subject to a monitoring review or audit by the U.S. Department of Labor, Texas Workforce Commission, Office of Inspector General, and/or South Plains Community Action Association. We also understand that we may be required to provide a copy of the most recent audit as part of the contracting process.

We understand and agree to submit this proposal in a good faith effort to provide services to the benefit of economically disadvantaged individuals eligible for services under this proposal.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Other 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 the Offeror meets the independence standards of the Government Auditing Standards.
8. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
9. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
10. 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.)
11. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - a. Government Auditing Standards (Yellow Book)
 - b. OMB Circular 2 Part 200:
 - i. Audits of Institutions of Higher Education and Other Nonprofit Institutions.
 - ii. Compliance Supplements
 - iii. Uniform Administrative Requirements for Grants and Agreements with Institutions

of Higher Education, Hospitals, and Other Nonprofit Organizations.
iv. Cost Principles

- c. A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and contract with the Department of Health and Human Services.
- d. Audits of Voluntary Health and Welfare Organizations (AICPA Audit Guide)
- e. Audits of Certain Nonprofit Organizations (AICPA Audit Guide)

Signature: _____

Date: _____

Printed Name: _____

Title: _____