

**ECONOMIC OPPORTUNITIES ADVANCEMENT CORPORATION
OF PLANNING REGION XI
(EOAC)**

Request for Proposal

For Audit Services in Accordance with Requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and TEA guidelines for charter schools

For the period

May 1, 2016 to April 30, 2017 (Single audit)
September 1, 2016 to August 31, 2017 (TEA audit)

Inquiries and proposals should be directed to:

Chief Financial Officer/Controller

Economic Opportunities Advancement Corporation

500 Franklin Avenue, Waco, Texas 76701-2111

254-753-0331 telephone; 254-754-1031 facsimile

Table of Contents

General Information

- A. Purpose
- B. Who May Respond
- C. Bidder's Conference
- D. Instructions on Proposal Submissions
 - 1. Closing Submission Date
 - 2. Inquiries
 - 3. Conditions of Proposal
 - 4. Instructions to Prospective Contractors
 - 5. Electronic or Hard Copy Submissions
 - 6. Right to Reject
 - 7. Small and/or Minority-Owned Businesses
 - 8. Presentations
 - 9. Notification of Award
- E. Description of Entity and Records to Be Audited
- F. Options

Specification Schedule

- A. Scope of a Financial and Compliance Audit
 - B. Description of Programs/Contracts/Grants
 - C. Performance
 - D. Delivery Schedule
 - E. Price
 - F. Payment
 - G. Audit Review
 - H. Exit Conference
 - I. Workpapers
 - J. Confidentiality
 - K. AICPA Professional Standards
-

Technical Qualifications

- A. Prior Auditing Experience
- B. Value-Added Services Beyond the Audit
- C. Organization, Size, and Structure
- D. Staff Qualifications
- E. Audit Approach to the Engagement
- F. Certifications

Proposal Evaluation

- A. Submission of Proposals
- B. Nonresponsive Proposals
- C. Proposal Evaluation
- D. Review Process

Certifications

Appendix

- A. Proposal Evaluation
-

General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending (*year-end*). The proposal includes options for four additional years.

B. Who May Respond

Only licensed certified public accountants may respond to this RFP.

C. Bidder's Conference

(Note: If the entity will be holding a bidder's conference, the date, time, location, and other information relating to the conference should be included in this section.)

D. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on Monday, August 14, 2017.
2. Inquiries: Inquiries concerning this RFP should be directed to Michael Thompson, CPA, or Dorothy Marstaller, CPA, 254-753-0331, extension 222.
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 EOAC.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

CFO/Controller
Economic Opportunities Advancement Corporation
500 Franklin Avenue
Waco, Texas 76701-2111

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., Monday, August 14, 2017, Sealed Proposal for Audit Services

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

5. Hard Copy Submissions:

Six (6) copies of the proposal must be submitted.

It is the responsibility of the Offeror to ensure that the proposal is received by EOAC by the date and time specified above.

Late proposals will not be considered.

6. Right to Reject: EOAC reserves the right to reject 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 EOAC 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. Presentations: At the discretion of EOAC, Offerors submitting proposals may be requested to make oral presentations as part of the evaluation process. Presentations may be delivered in person or via teleconference. Reasonable notice will be provided to selected Offerors. Not all Offerors submitting a proposal may be asked to participate in oral presentations.
9. Notification of Award:
- a. It is expected that a decision about selection of the successful audit firm will be made at the regular meeting of the EOAC board of directors Monday, August 21, 2017.
 - 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.

E. Description of Entity and Records to Be Audited

Economic Opportunities Advancement Corporation of Planning Region XII (EOAC) is a nonprofit organization that serves nine (9) counties in central Texas. EOAC is a private, Texas 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 15-member volunteer board of directors. Administrative offices and all records are located at 500 Franklin Avenue, Waco, Texas 76701-2111. Other offices are located throughout the six-county, central Texas area.

Accounting records, except for Waco Charter School, are maintained using Abilia MIP Fund Accounting software including general ledger, financial reporting, accounts payable, cash disbursements, cash receipts, human resources and payroll. EOAC maintains four (4) bank accounts: general operating, payroll, EOAC Health Plan, and special events (fund raising). Payroll and employee reimbursements are paid by direct deposit. There were approximately 10,000 checks issued the previous fiscal year. See the attachment for the construction of the funds and programs within the general ledger on page 17.

The accounting records for the Waco Charter School, a Texas public school, are maintained using TxEIS software; including general ledger, accounts payable, cash receipts and disbursements, and payroll. The charter school maintains three (3) bank accounts: operating, savings; and cafeteria and approximately 1,100 checks were issued during the fiscal year.

F. Options

At the discretion of EOAC, this audit contract can be extended for four additional one-year periods. The cost for the option periods will be agreed on by EOAC 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 and Compliance 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 a state or other political subdivision of the United States, hereinafter referred to as the "Offeror," to perform a financial and compliance audit of Economic Opportunities Advancement Corporation of Planning Region XII (EOAC).

B. Description of Programs/Contracts/Grants

See the attachment for a complete list of contracts, grants and programs managed by EOAC.

C. Performance

EOAC's records should be audited through April 30, 2017. Waco Charter School's records should be audited through August 31, 2017.

The Offeror is required to prepare audit reports in accordance with *Government Auditing Standards* and *(include any other pertinent requirements that the Offeror must comply with, such as specific audit guides or specific state funding source requirements)*.

EOAC is the charter holder of Waco Charter School, a Texas public school. The Texas Education Agency requires the school be audited on its school year ending August 31st. The school auditor's report is incorporated in the EOAC audit report; however, a separate audit report is required for the charter school.

D. Delivery Schedule

The Offeror is to transmit, in .pdf format, one copy of the draft audit report to EOAC's the Executive Director, john.key@eoacwaco.org and to the Chief Financial Officer, michael.thompson@eoacwaco.org. The draft audit report is due on the first Wednesday of November following the fiscal year being audited. The final audit report must be transmitted to the Executive Director and CFO by the third Wednesday of November following the fiscal year being audited.

The Offeror shall deliver 15 (fifteen) bound, final audit reports to EOAC's Board of Directors no later than the third Monday of January following the fiscal end of the year being audited.

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 the provisions of this contract, EOAC 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.

E. Price

The Offeror's proposed price should be submitted separately. Specifically, include a not-to-exceed total fee, a fee per service (audit services, tax services, etc.), and average hourly billing rates by position. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate, sealed envelope.

F. Payment

Payment will be made when EOAC has determined that the total work effort has been satisfactorily completed. Should EOAC reject a report, EOAC'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 90 days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that (*entity name*) can determine satisfactory progress is being made.

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

G. Audit Review

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

H. Exit Conference

An exit conference with (*entity name*)'s representatives and the Offeror's representatives will be held after the fieldwork. Observations and recommendations must be summarized in writing and discussed with (*entity name*). It should include internal control and program compliance observations and recommendations.

I. Workpapers

1. Upon request, the Offeror will provide a copy of the work papers pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
 2. The work papers will be retained for at least three years from the end of the audit period.
 3. The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the GAO, and (*entity name*).
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J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to *(entity name)*, 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 others 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, *(entity name)*'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 require that such audits be in compliance with government auditing 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 auditing 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 therefor.

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 similar programs operated by (*entity name*)
3. 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 like (*entity name*). Value-added services provide efficiencies and improved compliance that contribute to the continued success of (*entity name*). 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 training on the recent Uniform Guidance 2 CFR Part 200 ("Super Circular").
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E. Audit Approach to the Engagement

The Offeror should describe its approach 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 *(entity name)*, because *(entity name)* desires to contract only with an Offeror who is already familiar with these publications.

Proposal Evaluation

A. Submission of Proposals

If submitted by hard copy, all proposals shall include (#) copies of the Offeror's technical qualifications, (#) copies of the pricing information (in a separate, sealed envelope), and (#) copies of the signed Certifications. These documents will become part of the contract.

(Note: If accepting electronic submission, indicate here how it needs to be received.)

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 in a timely manner 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.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Auditing Standards* of the U.S. Comptroller General.

C. Proposal Evaluation

Evaluation of each proposal will be scored on the following six factors. In compliance with 2 CFR Part 200.319 – Competition, no geographic preferences will be given in the evaluation of this proposal, since the section states: “The Non-Federal entity must conduct procurements in a manner that **prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals**, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.”

1. Prior audit experience	Point Range
a. Prior experience auditing <i>(type of entity)</i>	0 – 15
b. Prior experience auditing similar programs funded by <i>(entity name)</i>	0 – 10
c. Prior experience auditing nonprofit organizations	0 - 5

(Entity name) 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	0 – 2
c. No conflicts of interest	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 – 10
b. Realistic time estimates of each audit step	0 – 5
6. Price	0 – 20
Maximum Points	100

D. Review Process

In compliance with Uniform Guidance 2 CFR Part 200.319 – Competition, (*entity name*) has conducted this procurement in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference.

The (*entity name*) may, at its discretion, request presentations by or meetings with any or all Offerors to clarify or negotiate modifications to the Offerors’ proposals.

However, (*entity name*) 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, that the Offeror can propose.

(*Entity name*) 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 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 or a public accountant licensed on or before *(date of licensing)*.
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's continuing education requirement of 80 hours of continuing education every two years and that 24 hours of the 80 hours of 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 he/she has read and understands the following publications relative to the proposed audits:

(NOTE: If the entity is a unit of government, replace e-g with h-j.)

- a. *Government Auditing Standards (Yellow Book)*
 - b. *OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions*
 - c. *OMB Circular A-133 – Compliance Supplement*
 - d. *Government Auditing Standards and Circular A-133 Audits (AICPA Audit Guide)*
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- e. OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*
- f. OMB Circular A-122, *Cost Principles for Nonprofit Organizations*
- g. *Audits of Not-for-Profit Entities* (AICPA Audit Guide)
- h. OMB Circular A-102, *Uniform Administrative Requirements for Grants-In-Aid to State and Local Governments*, including the Common Rule (Note: A-102 should be listed if funding source contracts require compliance with A-102/Common Rule.)
- i. OMB Circular A-87, *Cost Principles for State and Local Governments* (Note: A-87 should be listed if funding source contracts require compliance with A-87.)
- j. *Audits of State and Local Governments* (AICPA Audit Guide)
- k. *Uniform Guidance 2 CFR Part 200* (“Super Circular”)

Note: The RFP should also list any regulations, publications, or audit guides that are relevant to specific programs to be audited. For example, if a Department of Energy weatherization program is to be audited, the Offeror should be familiar with 10 CFR Part 600, DOE’s administrative requirements, and 10 CFR Part 400, DOE’s weatherization program requirements.

11. The individual signing certifies that he/she has read and understands all the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
12. The individual signing certifies that the Offeror, and any individuals to be assigned to the audit, 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 should score proposals individually. Evaluation of each proposal will be scored on the below six factors. In compliance with 2 CFR Part 200.319 – Competition, no geographic preferences will be given in the evaluation of this proposal, since the section states: “The Non-Federal entity must conduct procurements in a manner that **prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals**, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.”

Total points will be calculated from each board/audit committee member, providing a total point value for each responding Offeror. The Offeror, meeting all 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 similar programs funded by (<i>entity name</i>)	0 - 10	
	Prior experience auditing nonprofit organizations	0 - 5	
Value-added services beyond the audit		0 - 5	
Organization, size, and structure of Offeror's firm			
	Adequate size of the firm	0 - 2	
	Prior independence	0 - 2	
	No conflicts of interest	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	
	Realistic time estimates of each audit step	0 - 5	
Price		0 - 20	
Total Points		0 - 100	

Attachment Supporting Page 5

Funding Source	APPROVED BUDGET	
	GRANT	IN-KIND
CSBG PROGRAMS:	984,938	
Administration 2016 (1)	484,344	0
Discretionary Funds (1) 2017	16,250	0
Administration (1) 2017	484,344	0
TOTAL CSBG	984,938	0
HHS HEAD START PROGRAMS		
Head Start (2)	5,917,850	1,471,072
Early Head Start (2)	1,373,958	345,743
Head Start TTA (2)	71,077	0
Early Head Start TTA (2)	33,309	0
TOTAL HEAD START	7,396,194	1,816,815
TEXAS DEPT OF AGRICULTURE		
HS Nutrition Program (2)	829,024	0
HOT TEXAS WORKFORCE DEV. BOARD		
Child Care Services Operations (3)	758,369	0
Child Care Quality CCF (3)	346,427	0
Child Care Providers (3)	6,674,207	0
TOTAL CHILD CARE SERVICES	7,779,003	0
Texas School Ready UTHSC (3)	208,042	0
TX DEPT HSNB & COMM AFFAIRS		
DOE WAP (5)	144,342	0
LIHEAP - 2017 (5)	465,845	0
LIHEAP - 2016 (5)	484,373	0
C. E.A.P. 2017 (4)	2,075,156	0
C. E.A.P. 2016 (Ellis, Navarro) (4)	276,564	0
HOME - TENANT BASE RENTAL (4)	20,588	0
HOME - TBRA - DISABILITIES (4)	5,936	0
HOME - TBR A- DISASTER (4)	23,195	0
HOME (5)	1,000	0
TOTAL	3,496,999	0
PRIVATE WEATHERIZATION		
TACAA/ONCOR (5)	218,000	0
Frontier/TNMP (5)	25,000	0
ATMOS (5)	38,459	0
TOTAL PRIVATE WAP	281,459	0
ENERGY ASSISTANCE: Private Sources	171,047	
TEXAS EDUCATION AGENCY		
Waco Charter School (6)	2,401,789	0
TOTAL ALL PROGRAMS	23,548,496	1,816,815

