

REQUEST FOR PROPOSAL
FOR PROCUREMENT OF THE
FISCAL YEAR SINGLE AUDIT

ECONOMIC OPPORTUNITIES ADVANCEMENT CORPORATION
OF PLANNING REGION XI
500 FRANKLIN AVENUE
WACO, TEXAS 76701-2111
(254) 753-0331

MISSION
TO SERVE PEOPLE IN NEED WITH COMPASSION AND DIGNITY,
TO HELP THOSE WHO CAN ACHIEVE ECONOMIC INDEPENDENCE
AND TO EASE THE PAIN OF POVERTY BARRIERS.

ECONOMIC OPPORTUNITIES ADVANCEMENT CORPORATION OF
PLANNING REGION XI
REQUEST FOR PROPOSALS

The Economic Opportunities Advancement Corporation of Planning Region XI (EOAC) is initiating the selection process for an auditing firm to render an audit of applicable financial statements and the compliance of the grantee with applicable legal provisions. The purpose of this invitation is to obtain the services of licensed independent public accountants certified by a regulatory authority of a state or other political subdivision of the United States. Firms submitting proposals must participate and be members of a quality control program (peer review) sponsored by the AICPA, the governing body of CPA's in practice. Female owned small and minority business firms are encouraged to submit proposals. This solicitation does not commit EOAC to pay any costs incurred in preparing the submitting proposals or to contract for the services specified.

The proposals will be reviewed and evaluated internally by EOAC. This review may serve as the basis for the selection of an auditor for the year May 1, 2015 through April 30, 2016 and the following four (4) fiscal years:

May 1, 2016 through April 30, 2017
May 1, 2017 through April 30, 2018
May 1, 2018 through April 30, 2019
May 1, 2019 through April 30, 2020.

EOAC reserves the right to reject any and all proposals received. All proposals will become part of the official file on this matter without obligation to EOAC. Any award will be made to the firm which, in the opinion of this organization, is best qualified.

The firm selected will enter into a contractual agreement for rendering an audit as described later for the first fiscal year. Subsequent years will be contracted at the option of EOAC based upon previous performance and economic factors.

REQUEST FOR AUDIT REQUEST FOR PROPOSAL

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1. GENERAL INFORMATION

- A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending as shown. The proposal includes options for (2-4) additional years.

- B. Who May Respond

Only licensed Certified Public Accountants may respond to the RFP.

- C. Bidders Conference

Note: The EOAC will not be holding a bidder's conference.

- D. Instructions on Proposal Submission

- 1. Closing Submission Date
Proposals must be submitted and received no later than 5:00 p.m. on January 29, 2016.
- 2. Inquiries

Inquiries concerning this RFP should be directed to
Michael Thompson, CPA, CFO/Controller
500 Franklin Avenue,
Waco, Texas 76701-2111
(254) 753-0331 extension 222 or
michael.thompson@eoacwaco.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 EOAC.

4. Instructions to Prospective Respondents:
Your proposal should be addressed as follows:

NAME: John Minnix, CPA
Audit Committee

TITLE: Chair

ENTITY: EOAC of Planning Region XI

ADDRESS: 500 Franklin Avenue, Waco, TX 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

5:00 p.m. January 29, 2016

SEALED PROCUREMENT FOR AUDIT SERVICE”

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

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

Late proposals will not be considered.

5. Right to Reject

EOAC reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority-Owned Businesses

Efforts will be made by EOAC to utilize small and/or 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 121.3-8), by having average annual receipts for the last three fiscal years of less than four million dollars.

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made the third week in February 2016. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in the response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

It is expected that the contract shall be a one-year fixed price contract with options for (3-4) additional one-year periods.

E. Description of Entity and Records to be Audited

EOAC is a nonprofit organization which serves (6) counties in Texas, for some programs, two counties. 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, Waco, Texas. Other offices are located throughout Bosque, Freestone, Limestone, Hill and Falls Counties (See web site, eoacwaco.org)

F. Options

At the discretion of EOAC, this audit contract can be extended for (3-4) additional one-year periods. The cost for the option periods will be agreed upon by EOAC and the Offeror. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

II. SPECIFICATION SCHEDULE

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a certified 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 EOAC.

Government Audit Standards – "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (1988 Revision), states on page 2-1:

"Financial statement audits determine (1) whether the financial statements for 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.

B. Description of Programs/Contracts/Grants

ESTIMATED FY 2016 EOAC REVENUE

GRANT/CONTRACT REVENUE

U.S. Department of Health & Human Services	
Head Start	\$5,813,000
Head Start Training & Technical Assistance	104,000
Early Head Start	1350,000
Texas Department of Housing and Community Affairs	
Community Services Block Grant (HHS)	456,000
Weatherization (Department of Energy)	106,000
Weatherization LIHEAP (HHS)	341,000
Comprehensive Energy Assistance (HHS)	2,112,000
Tenant Base Rental Assistance	14,000
Texas Education Agency	
Waco Charter School, state funding	1,800,000
Title 1, 4, 5, & 6	362,000
Texas Workforce Commission	
Self Sufficiency Funds Grant	497,000
HOT Workforce Development Board (HHS pass through)	
Child Care Management Services Operations	784,000
Child Care Services, Direct Care and Quality Improvement	5,457,000
U.S. Department of Agriculture	
Child Adult Care Food Program	699,000
School Breakfast and Lunch programs	205,000
Home Preservation	202,000
United Way	20,000
Local Match (Non-Federal)	1,817,000
Non-federal	
Donations and fund raising	50,000
Utility companies weatherization	311,000
Utility companies client assistance	330,000
Total	\$22,830,000

EOAC
FISCAL PROGRAM SUMMARY
FOR FISCAL YEAR 2016

SOURCES OF REVENUE

The concept of “cooperative federalism” in which all units of government Federal, State, and local funds budgeted for the 2015-2016 fiscal year is as follows:

1. U.S. Department of Health and Human Services

- a. Head Start provides pre-school children of income eligible families with a comprehensive program to meet their emotional, social, health, nutritional, and psychological needs. EOAC Head Start services 14 centers (Waco (6), Bellmead, Mart, Marlin, Moody and 3 WISD sites (1) Sul Ross, (2) J.H. Hines, (2) West) in Falls and McLennan Counties, serving approximately 1,000 children for the 2015-2016 school year with over 160 employees
- b. The Child Adult Care Food Program assists the Head Start Program in providing meals for the Head Start children and is a reimbursable program.

2. Texas Department of Housing and Community Affairs

- a. Community Services Block Grant strives for continued renewal and revitalization for the community. CSBG provides a great opportunity to help people help themselves; to help them plan positive futures. This component offers continuity to all programs for which the agency is funded. Outreach and intake for the agency’s programs are handled at the Neighborhood Service centers at 500 Franklin Avenue, Waco, and in Marlin, Teague, and Clifton.
- b. EOAC administers the Weatherization Assistance Program to help conserve energy in the home. The program funds minor repairs to increase the energy efficiency of the home. Elderly and handicapped clients are targeted. EOAC weatherizes houses in Falls, McLennan, Bosque, Freestone, Limestone, and Hill Counties.
- c. Comprehensive Energy Assistance Program serves about 1,500 persons per year in Falls, McLennan, Bosque, Freestone, Limestone and Hill Counties.

3. Heart of Texas Workforce Development Board

Child Care Services provides oversight services in a six county area which includes Bosque, Freestone, Limestone, Hill, Falls, and McLennan. CCS Services provide eligible families with information that allows them to make informed choices of child care arrangements. Number of child care providers is over 100 in the six counties serving 2,400 clients, contingent on funding, and maintains a waiting list of approximately 50.

4. Texas Education Agency

The Waco Charter School, a public school, is a six year charter program to provide education to students, pre-K-5th grade. The Charter is granted for 360 students. Also TEA provides title dollars for special provisions.

5. Texas Workforce Commission
The Self Sufficiency Funds grant provides job readiness training and counseling for the unemployed including transportation assistance, tuition and fees for personal awareness, stress management-coping skills, self-esteem-values clarification, resume preparation and personal finance.
6. Non-federal
 - a. Donations and fund raising
 - b. Funding for weatherization of homes is provided by ATMOS, ONCOR and Texas-New Mexico Power Company
 - c. Funding for assisting income-eligible with payment of utility expense is provided by ATMO Energy, HILCO Electric Cooperative, Heart of Texas Electric Cooperative, Direct Energy, Reliant Energy and TXU.

C. Performance

The EOAC's records should be audited through April 30, 2016

The Offeror is required to perform its examination in accordance with the Government Audit Standards - "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (most recent revision), the Uniform Administration Requirements, Cost Principles, and Audit Requirements For Federal Awards (Uniform Guidance) 2 CFR part 200, subpart 500 and generally accepted auditing standards.

The Texas Education Agency requires that the financial statements of Waco Charter School be examined for the program year ended August 31 each year. This separate audit is subject to another Request for Proposal. If the successful Offeror for the EOAC audit is not the successful Offeror for the separate Charter School audit, reliance on another auditor may be necessary as to the Waco Charter School. The separate examination for the school financial statements is not subject to the single audit requirements.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to EOAC's Executive Director. The draft audit report is due prior to January 20, 2017.

The Offeror shall deliver 15 final audit reports to the EOAC's Board of Directors no later than January 25 of each year; one signed copy by electronic transmission in pdf format.

Report 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 of the provisions of this contract, EOAC may, by written notice of default to the Offeror, terminate the whole or any part of the 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. 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. The pricing information should be in separate sealed envelope.

F. Payment

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

Progress payments will be allowed to the extent that the EOAC can determine that satisfactory progress is being made.

Upon delivery of the 15 copies in binders of the final reports to the EOAC board of directors and upon 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 agreement will be reviewed by EOAC and its funding sources to ensure compliance with General Accounting Office (GAO) Government Audit Standards – "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" and other appropriate audit guides.

H. Exit Conference

An exit conference with EOAC'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 the EOAC. It should include internal control and programs compliance observations and recommendations.

I. Work papers

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 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 respective federal or state audit agency, the General Accounting Office, and EOAC.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to EOAC, 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, EOAC'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, governmental units or other recipients of government monies typically require 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, 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 nonprofit organizations.
2. Prior experience auditing similar programs funded by the State of Texas.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience designing and/or installing accounting systems in nonprofit agencies.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate if the firm is a small or minority-owned business. Offeror should include a copy of the most recent 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 of the individual audit team member

Only include resumes 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, 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, and other pertinent information.

E. 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 the EOAC, because the EOAC desires to contract only with an Offeror who is already familiar with these publications.

III. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include two copies of the Offeror's technical qualifications, two copies of the pricing information (in a separately sealed envelope), and two copies of the signed Certifications. These documents will become part of the contract.

B. Non-responsive Proposals

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

- i. The proposal is not received timely in accordance with the terms of this RFP
- ii. The proposal does not follow the specified format.
- iii. The proposal does not include the Certifications.
- iv. The Proposal is not adequate to form a judgement by the reviewers that the proposed undertaking would comply with the Government Audit Standards – “Standards for Audit of Governmental Organizations, Programs, Activities, and Functions” of the U.S. Comptroller General (most recent revision).

C. Evaluation

Evaluation of each proposal will be based on the following criteria:

Factors	Point Range
1. Prior experience auditing and/or designing and installing accounting systems:	
a. Prior experience auditing Nonprofit agencies	0-10
b. Prior experience auditing similar program funded by the State of Texas	0-5
c. Prior experience auditing program financed by the Federal Government.	0-5
d. Prior experience auditing similar county or local Government activities.	0-5
e. Prior experience auditing nonprofit organizations.	0-5
f. Prior experience designing and/or installing accounting systems of a nonprofit agency.	0-5
(EOAC will contact prior audited organizations to verify the experience provided by the Offeror.)	
2. Organization, size, and structure of Offeror's firm. (Considering size in relation to audits to be performed.)	
a. Adequate size of the firm	0-5
b. Minority/small business	0-5
3. Qualifications of staff to be assigned to the EOAC audits to be performed. This will be determined from resumes submitted, education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc, will be considered.	
a. Audit team makeup	0-10
b. Overall supervision to be exercised	0-5
c. Prior experience of the individual audit team members.	0-10
4. Offeror's understanding of work to be performed.	
a. Adequate coverage.	0-5
b. Realistic time estimates of each audit step.	0-5
5. Price	0-20

MAXIMUM POINTS 100*

D. Review Process

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

However, the EOAC, 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.

CERTIFICATIONS

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. 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.
- C. The individual signing certifies that the prices quoted in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted on this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant.
- G. The individual signing certifies that the Offeror meets the independence standards of the Government Audit Standards – “Standards for Audit of Governmental Organizations, Programs, Activities, and Functions” (most recent revision).
- H. The individual signing certifies that he/she is aware of - and, all individuals to be assigned to the audit have met – the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of this education have been subjects directly related to the auditing of government grants by individuals.

- I. The individual signing certifies that he/she has read and understands the GAO requirement of an external quality control (peer) review at least once every three years.

- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits.
 - 1. Generally Accepted Government Auditing Standards (GAGAS) (latest revision). (The Federal Yellow Book.)
 - 2. Uniform Guidance, 2 CFR 200.500-520, Audit Requirements.
 - 3. “Guidelines for Financial and Compliance Audits of Federally Assisted Programs (The Federal Red Book.)
 - 4. 2 CFR 200.300-345 (includes former OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations” Nonprofit Compliance Supplement.)
 - 5. 2 CFR 400.475 (includes former OMB Circular A-122, “Cost Principles for Nonprofit Organizations”.)
 - 6. “A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contracts with the Department of Health and Human Services” OASMB-5.
 - 7. 2 CFR 200 (formerly referred to as The “Common Rule” OMB Circular A-102, “Uniform Administrative requirements for Grants and Cooperative Agreements to State and Local Governments”)
 - 8. 2 CFR 200 (Includes former OMB Circular A-87, “Cost Principles for State and Local Governments”.)
 - 9. “Audits of Voluntary Health and Welfare Organizations” (AICPA Audit Guide).
 - 10. “Audits of Certain Nonprofit Organization” (AICPA Audit Guide).
 - 11. Regulations, publications, or audit guides that are relevant to specific programs to be audited. For example, if a Department of Health and Human Services program is to be audited, the

Offeror should be familiar with HHS'S "Administration of Grants, 45 CFR Part 74" if the Department of Energy Weatherization program is to be audited, the Offeror should be familiar with 10 CFR Part 600, DOE's weatherization program requirements; and, so on.

12. The Offeror should also be familiar with Weatherization, Comprehensive Energy Assistant, Homeless, Head Start, Child Care Management Services, Alcohol/Drug Abuse Prevention, Community Services Block Grant, Charter School (public school), Emergency Nutrition, Temporary Relief, Emergency Food and Shelter and all programs as outlined on the estimated revenue schedule.
- K. 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.
- L. 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 e disclosed.)
- M. The individual signing certifies that the Offeror (does/does not) carry professional malpractice insurance.

Dated this _____ day of, 2016.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)

The Economic Opportunities Advancement Corporation of Planning Region XI is requesting bids for the 2015-2016 Single Audit and to be considered for up to four additional years. Bid packets may be requested at 500 Franklin Avenue, Waco, Texas 76701-2111, or call (254) 753-0331, or eoacwaco.org prior to 5:00 p.m. on January 8, 2016.

Sealed bids will be accepted until 5:00 p.m. on January 29, 2016.

The Bid opening will be held on February 17, 2016 at 4:30 p.m., bidders are invited.

Qualified bids will be tabulated and submitted to the Executive Committee for consideration and awarded after the February 22, 2016 Board meeting.