

Inter-County Community Council

Request for Proposal for Audit Services

FOR THE PERIOD

October 1, 2019 – September 30, 2020

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Name: Janet Halvorson

Title: Fiscal Director

Entity: Inter-County Community Council

Address: PO Box 189

Oklee MN 56742

Phone: 218 796 5144

Proposal Guidelines

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Proposal Guidelines

I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit and 990 preparation for the year ending September 30, 2020.

This 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

No bidders conference is planned.

D. Instructions on Proposal Submission

1. Closing Submission Date

Proposals must be submitted no later than 4:00 p.m. on July 24, 2020.

2. Inquiries

Inquiries concerning this RFP should be directed to Catherine Johnson, Executive Director (218)-796-5144 X 1027 or Janet Halvorson, Fiscal Director (218)-796-5144 X 1025.

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 *Inter-County Community Council*.

4. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

Inter-County Community Council
Janet Halvorson
PO Box 189
Oklee, MN 56742

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 for Audit Services
4:00 p.m., July 24th, 2020
Sealed Proposal

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

It is the responsibility of the Offeror to ensure that the proposal is received by Inter-County Community Council by the date and time specified above.

Late proposals will not be considered.

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5. Right to Reject

Inter-County Community 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 upon the factors described in this RFP.

6. Small and/or Minority-Owned Businesses

Efforts will be made by Inter-County Community 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).

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within two weeks of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful firm.

E. Description of Entity and Records to be Audited.

Inter-County Community Council is a private nonprofit organization and has been determined to be exempt from federal income tax under Section 501(C)(3) of the Internal Revenue Code. ICCC is the designated ‘Community Action’ for the counties of Pennington, Red Lake, Clearwater and East Polk and serve an additional four counties in specific programs. It is governed by a 15 member volunteer Board of Directors. Administrative offices and all records are located at 207 Main St, Oklee, Minnesota.

ICCC utilizes Orion for Windows, which is specifically designed for community action agencies using fund accounting. ICCC utilizes the following accounting modules in Orion: General Ledger, Accounts Payable, Fixed Assets, and Payroll for financial reporting. The accounting system is fully automated system with individual general ledger accounts for each contract/grant.

ICCC uses a general clearing bank account to pay all expenses with each contract/grant reimbursing the general account for its expenses. ICCC utilizes one bank account for its operation: Security State Bank, P.O. Box 69, Oklee, MN 56742

On an annual basis, ICCC generates approximately 2100 accounts payable checks, 200 payroll checks and 76,000 general ledger transactions. There are approximately 105 employees who are paid bi-weekly utilizing both direct deposit and check.

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F. Options

At the discretion of Inter-County Community Council, this audit contract can be extended for four additional one-year periods. The cost for the option period will be agreed upon by Inter-County Community Council and the Offeror. It is anticipated that the cost for the optional years will remain the same or will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year. If Offeror plans to use an alternate pricing method this should be addressed in the proposal.

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II. 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 Inter-County Community Council. In addition to our financial and compliance audit of Inter-County Community Council, Inc. is also requesting the preparation of the Federal 990 tax forms.

B. Description of Programs/Contracts/Grants

Inter-County Community Council delivers a variety of federal, state, local, and private grants and contracts. The purpose of the organization is to provide services, assistance, and activities to help low-income people. Programs to be audited include but are not limited to: Head Start, Energy Assistance, Employment and Training, Weatherization, MURL Housing, Homeless Programs and Emergency Food and Shelter Programs.

C. Performance

Inter-County Community Council's records must be audited from October 1, 2019 through September 30, 2020.

The Offeror is required to prepare audit reports in accordance with *Government Audit Standards* and Office of Management and Budget 2 CFR Part 200. The Offeror also agrees to prepare the Federal 990 Tax Form.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to Inter-County Community Council's Executive Director and Fiscal Director.

The Offeror shall deliver 40 copies and an electronic version of the final to Inter-County Community Council's Board of Directors no later than January 31, 2021. Or other date mutually agreed upon by both parties in writing. The Offeror is required to present the audit to the Board of Directors at the regular board meeting.

The Offeror shall prepare and file the 990 audit pursuant to the federal filing requirements.

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D. Delivery Schedule (continued)

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 of the provisions of this contract, Inter-County Community Council may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under extenuating circumstances and with sufficient justification, the contracting agent may extend this schedule upon written request of the Offeror.

E. Price

The Offeror's proposed price should be submitted separately. Specifically, include a not-to-exceed total fee and a fee per service (audit services, tax services, etc.). Any out-of-pocket expenses should also be indicated.

F. Payment

Payment will be made when Inter-County Community Council has determined that the work effort has been satisfactorily completed. Should Inter-County Community Council reject a report, Inter-County Community Council'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.

Upon delivery of all final audit reports to Inter-County Community Council 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 Inter-County Community Council and its funding sources to ensure compliance with General Accounting Office's (GAO) *Government Auditing Standards* and other appropriate audit guides.

H. Exit Conference

An exit conference with Inter-County Community Council'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 Inter-County Community Council. 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 any analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.

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3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and Inter-County Community Council.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Inter-County Community Council 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 these 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, Inter-County Community Council'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 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/she 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.

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

1. Prior experience auditing Community Action Agencies.
2. Prior experience auditing similar programs funded by Minnesota.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing nonprofit organizations.
5. Prior experience auditing similar county or local government activities.

B. Organization, Size, and Structure

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 should 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 of the individual audit team members.

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, training on Uniform Guidance, 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, 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 Inter-County Community Council because Inter-County Community Council desires to contract only with an Offeror who is already familiar with these publications.

Appendix A - Certification

Proposal Guidelines

IV. 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. Nonresponsive Proposals

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

1. The proposal is not received timely 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. Evaluation

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

<u>Factors</u>	<u>Point Range</u>
1. Understanding our needs	0-10
a. Understanding our current challenges and opportunities	
b. Firms approach to addressing our challenges	
2. Understanding our industry	
a. Prior experience working with non profit organizations	
b. Prior experience auditing grant funded organizations	0-30
c. Prior experience auditing organizations similar to Inter-County Community Council Inc.	
d. Prior experience providing additional services to organizations similar to Inter-County Community Council Inc.	
3. Organization, size, and structure of Offeror's firm	0-5
a. Adequate size of the firm	
b. Minority business/small business/women's business enterprise/labor surplus firm	

Proposal Guidelines

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|----|--|-------------|
| 3. | Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in firm, years and type of experience, continuing professional education, and state(s) in which licensed as a CPA, etc., will be considered. | 0-20 |
| 4. | Offeror's audit approach to the engagement | 0-15 |
| | a. Adequate Coverage | |
| | b. Realistic engagement timetable | |
| 5. | Price | <u>0-20</u> |

MAXIMUM POINTS: **100**

D. Review Process

In compliance with Uniform Guidance 2 CFR Part 200.319 – Competition, Inter-County Community Council, Inc 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 geographical preference.

Inter-County Community Council may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, Inter-County Community Council 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.

Inter-County Community Council contemplates award of the contract to the responsible offeror with the highest total points.

CERTIFICATIONS

On behalf of the Offeror:

- 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 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 in 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 Offeror is a properly licensed certified public accountant.
- G. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
- H. 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.
- I. 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.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. *Government Auditing Standards* (Yellow Book)
 - 2. Title 2 U.S.Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards (“Uniform Guidance”)
 - 3. 45 Code of Federal Regulations Part 75 and Part 96
 - 4. 45 Code of Federal Regulations Part 1301-1305
 - 5. 10 Code of Federal Regulations Part 440 and Part 600

6. *Minnesota Weatherization Assistance Program State Plan*
7. *Minnesota Low Income Home Energy Assistance State Plan*
8. *Audits of Certain Nonprofit Organizations (AICPA Audit Guide)*

- 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 for 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 _____, 2020.

(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, Executive/Audit committee members, Executive Director and Fiscal Director who are part of the proposal evaluation process will 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 geographical 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 statues expressly mandate or encourage geographic preference.”

Total points will be calculated from each Executive/Audit committee member, Executive Director and Fiscal Director, 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	Point Range	Points Earned
Understanding Our Needs Understanding our current challenges and opportunities Firms approach to addressing our challenges	0 – 10	
Understanding Our Industry Prior experience working with nonprofit organizations Prior experience auditing grant funded organizations Prior experience auditing organizations similar to Inter-County Community Council Inc Prior experience providing additional services to organizations similar to Inter-County Community Council Inc	0 – 30	
Organization, size and structure of Offeror’s firm Adequate size of firm (consider size in relation to audit to be performed) Minority-owned/small business/women’s business enterprise	0 – 5	
Qualifications of staff to be assigned to the audits to be performed Prior experience of the individual audit team members Overall supervision to be exercised	0 – 20	
Offeror’s audit approach to the engagement Adequate coverage Realistic time estimates of each audit step	0 – 15	
Price	0 - 20	
Total Points	0 - 100	

Signature: _____ Date: _____