

NUECES COUNTY COMMUNITY ACTION AGENCY

101 South Padre Island Drive Corpus Christi, Texas 78405-4102 (361) 883-7201 FAX: (361) 883-9173

Alma A. Barrera
Chief Executive Officer

11/18/2022

Nueces County Community Action is inviting proposals from qualified auditing firms for the preparation of its yearly audited financial statements beginning with the fiscal year ending August 31, 2022. NCCAA does require a federal single audit. The Audit must be performed in accordance with generally accepted auditing standards.

Adel Rowland
Chief Financial Officer
Nueces County Community Action Agency
t. 361.654-7920
f. 361.654-7975
e. adel.rowland@nccaatx.org



General Information

A. Purpose

This request for proposal (RFP) is to contract for a financial and compliance audit for the year ending August 31, 2022 as well as any additional services that will benefit Nueces County Community Action Agency (NCCAA). The proposal includes options for four additional years.

B. Who may respond

Only licensed certified public accountants may respond to this RFP.

C. Instructions on proposal submission

1. Closing submission date: Proposals must be submitted no later than 4:30 p.m. on December 2, 2022.
2. Inquiries: Inquiries concerning this RFP should be directed to Adel Rowland, Chief Financial Officer at (361) 654-7920.
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 NCCAA.
4. Instructions to prospective contractors:

Your proposal should be addressed as follows:

Adel Rowland, Chief Financial Officer
Nueces County Community Action Agency
101 South Padre Island Drive
Corpus Christi, Texas 78405

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. December 2, 2022
Sealed proposal
For audit services

5. Electronic or hard copy submissions: Proposals can be submitted electronically to the following email address: adel.rowland@nccaatx.org by the closing submission date noted above. It is the responsibility of the Offeror to ensure that the proposal is received by NCCAA by the date and time specified above. Late proposals will not be considered.

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

6. Small and/or minority-owned businesses: Efforts will be made by NCCAA 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. Presentations: At the discretion of NCCAA, 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 advance notice will be provided to selected Offerors. Not all Offerors submitting a proposal will be asked to participate in oral presentations.
8. Notification of award:
 - a. It is expected that a decision about selection of the successful audit firm will be made within one week of the closing date for the receipt of proposals.
 - b. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

D. Description of entity and records to be audited

Nueces County Community Action Agency is a nonprofit organization that serves Nueces County, Texas. Nueces County Community Action Agency 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 12-member board of directors. Administrative offices and all records are located at 101 SPID, Corpus Christi, Texas 78405.

NCCAA's annual budget totals approximately twenty million dollars per year. NCCAA employs approximately 300 employees with an annual payroll of approximately 9 million dollars. All employees are paid on a biweekly basis. 100% of the employees participate in direct deposit. The financial records are maintained on an accrual basis using an automated network system. NCCAA utilizes the fund accounting software Abila MIP.

NCCAA maintains one bank account. The primary bank account has approximately 600 payroll disbursements, about 500 accounts payable checks, and approximately 15-20 deposits.

Primary grant awards are the Head Start Program, Child Care Food Program (CCFD), Community Services Block Grant (CSBG), Comprehensive Energy Assistance Program (CEAP), Low Income Home Energy Assistance Program (LIHEAP), Low Income Household Water Assistance Program (LIHWAP), Dept. of Energy Weatherization Program (DOE), and NeighborWorks America (NWA).

Funding sources are from the U.S. Dept of Health and Human Services (HHS), U. S. Dept. of Agriculture (USDA), U.S. Dept of Treasury (USDT), U. S. Dept. of Energy (DOE), and Texas Department of Housing and Community Affairs (TDHCA).

E. Options

At the discretion of NCCAA, this audit contract can be extended for four additional one-year periods. The cost for the option periods will be agreed on by NCCAA and the Offeror.

Specification schedule

1. 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 Nueces County Community Action Agency (NCCAA).

OPTIONAL:

In addition to our financial and compliance audit, NCCAA is also requesting additional services to support our organization. These services may include preparation of the IRS Tax Form 990 and Form 5500 Health and Welfare.

2. Description of programs/contracts/grants

Primary grant awards are the Head Start Program, Child Care Food Program (CCFD), Community Services Block Grant (CSBG), Comprehensive Energy Assistance Program (CEAP), Low Income Home Energy Assistance Program (LIHEAP), Low Income Household Water Assistance Program (LIHWAP), Dept. of Energy Weatherization Program (DOE), and NeighborWorks America (NWA).

Funding sources are from the U.S. Dept of Health and Human Services (HHS), U. S. Dept. of Agriculture (USDA), U.S. Dept of Treasury (USDT), U. S. Dept. of Energy (DOE), and Texas Department of Housing and Community Affairs (TDHCA).

A preliminary Schedule of Expenditures of Federal Awards (SEFA) is available upon request.

3. Performance

NCCAA's records should be audited through August 31, 2022.

The Offeror is required to prepare audit reports in accordance with Government Auditing Standards and the following audit guides and laws:

- Title 2 U.S. Code of Federal Regulations Part 200 Uniform Guidance
- Not-for-Profit Organization (AICPA Audit Guide)
- Texas Grants Management Standards
- 45 CFR Part 75
- 10 CFR Part 400 and 10 CFR Part 600

4. Delivery schedule

Submission of electronic copy of final audit report	February 3, 2023
Presentation to Fiscal/Exec Committee	February 14, 2023
Presentation to Board of Directors	February 24, 2023

Reports may be submitted earlier than the schedule above. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports that do not conform to all of the provisions of this contract, NCCAA may, by written notice of default to the Offeror, terminate the whole or any part of this contract.

5. Pricing

The Offeror's proposed price for services should include a not-to-exceed total fee and a fee per service (audit services, tax services and additional services as requested in this RFP). Any out-of-pocket expenses should also be indicated.

6. Payment

Payment will be made when NCCAA has determined that the total work effort has been satisfactorily completed. Should NCCAA reject a report, NCCAA'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 NCCAA can determine satisfactory progress is being made.

Upon presentation to the Board of Directors and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

Payment for the tax return will be made after completion, presentation, and approval by the Board of Directors.

7. Audit review

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

8. Exit conference

An exit conference with NCCAA'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 NCCAA. It should include internal control and program compliance observations and recommendations.

9. Workpapers

- a. 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.
- b. The workpapers will be retained for at least three years from the end of the audit period.
- c. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the GAO and NCCAA.

10. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to NCCAA, 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, NCCAA's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

11. 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.

12. 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 NCCAA because NCCAA desires to contract only with an Offeror who is already familiar with these publications.

Technical qualifications

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

A. Understanding our need and firm experience

The Offeror should describe its understanding of our industry by providing specific industry knowledge and expertise as well as prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited similar to NCCAA. Experience should include the following categories:

- Prior experience auditing nonprofit organizations
- Prior experience auditing grant funded organizations.
- Prior experience auditing organizations similar to NCCAA
- Prior experience providing additional services to organizations similar to NCCAA

B. Understanding the scope of work

The Offeror should clearly describe the scope of work and approach to the work to be performed in alignment with this RFP, including audit procedures, estimated hours and other pertinent information..

C. Engagement team/staff qualifications

The Offeror should briefly 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. Audit team bios should include education, position in firm, years with the firm, industry-specific experience, and training on the recent Uniform Guidance.

D. 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 Offeror, 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 Offeror is a small business, minority business, women's business enterprise, or labor surplus firm.

Proposal evaluation

A. Submission of proposals

If submitted by hard copy, all proposals shall include two copies of the Offeror's technical qualifications, two copies of the pricing information and two copies of the signed certifications. These documents will become part of the contract. The price should separately present the cost of:

- The audit
- IRS Tax Form 990
- Form 5500 Health and Welfare

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.

- | | Point range |
|---|-------------|
| 1. Understanding our industry | 0 - 10 |
| a. Specific industry knowledge & expertise | |
| 2. Understanding our industry | 0 – 30 |
| a. Prior experience <i>working with nonprofit organizations</i> | |
| b. Prior experience auditing grant funded organizations | |
| c. Prior experience auditing organizations similar to NCCAA | |
| d. Prior experience providing additional services to organizations similar to NCCAA | |
| 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 | |

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.	0 – 20
a. Prior experience of the individual audit team members	
b. Overall supervision to be exercised	
5. Offeror’s audit approach to the engagement	0 – 15
a. Adequate coverage	
b. Realistic engagement timetable	
6. Price	0 – 20
Maximum points	100

D. Review process

In compliance with Uniform Guidance 2 CFR Part 200.319 – Competition, NCCAA 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.

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

However, NCCAA 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.

NCCAA contemplates award of the contract to the responsible Offeror with the highest total points.

Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
6. The individual signing certifies that the Offeror is a properly licensed certified public accountant or a public accountant licensed on or before 8/31/22.
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:
 - a. *Government Auditing Standards* (Yellow Book)
 - b. *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance")
 - c. *Audits of Not-for-Profit Entities* (AICPA Audit Guide)
 - d. *Audits of State and Local Governments* (AICPA Audit Guide)
 - e. *Texas Grants Management Standards*
 - f. *45 CFR Part 75*
 - g. *10 CFR Part 400 and 10 CFR Part 600*
11. 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.

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)