

Southeast NM Community Action Corporation

**A-133 Request for Proposal
For audit services**

For the period

July 1, 2020 to June 30, 2021

Inquiries and proposals should be directed to:

Sherra Hester

Executive Director

Southeast NM Community Action Corporation

1915 San Jose Blvd.

Carlsbad, NM 88220

(575) 887-3939 x233

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I. General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and A-133 audit for the year ending *June 30, 2021* for *Southeast NM Community Action Corporation (SNMCAC)*. The proposal includes options for four (4) 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 5:00 p.m. on May 20, 2021.
2. Inquiries: Inquiries concerning this RFP should be directed to (*Sherra Hester, telephone: 575-887-3939 x233, email: srhester@snmcac.com*).
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 *SNMCAC*.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Sherra Hester, Executive Director
Southeast NM Community Action Corporation
1915 San Jose Blvd.
Carlsbad, NM 88220

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. *May 20, 2021*
Sealed Proposal
For Audit Services

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

5. Electronic Submissions: Proposals can be submitted electronically to the following e-mail address: *srhester@snmcac.com* by the closing submission date noted above.

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

Late proposals will not be considered.

6. Right to Reject: SNMCAC 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.
7. Small and/or Minority-Owned Businesses: Efforts will be made by SNMCAC 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. Notification of Award:
 - a. It is expected that a decision on selecting the successful audit firm will be made within *four (4)* weeks 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 RFP will be informed, in writing, of the name of the successful audit firm.
 - c. It is expected that the contract shall be a one-year, fixed-price contract, with options for four (4) additional one-year periods.

E. Description of Entity and Records to Be Audited

SNMCAC is a nonprofit organization which serves Eddy, Chaves, Lea, Lincoln and Otero counties in New Mexico. SNMCAC 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 fifteen-member volunteer Board of Directors. Administrative offices and all financial records are located at 1915 San Jose Blvd., Carlsbad, NM 88220. Other offices are located throughout Eddy, Lea, Chaves, Lincoln, and Otero counties.

SNMCAC maintains two (2) primary bank accounts--operational and payroll--and all entries are maintained on an automated system (MIP), which is targeted specifically to nonprofit entities. The number of disbursements written last year (year ended June 30, 2020) was 2,403 on the operational bank account and 4,797 on the payroll bank account.

A copy of SNMCAC's most recent annual financial statements is available upon request to srhester@snmcac.com.

F. Options

At the discretion of SNMCAC, this audit contract can be extended for four (4) additional one-year periods. The cost for the option periods will be agreed upon by SNMCAC 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 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 SNMCAC.

The Offeror shall perform the examination and express an opinion on all (*Government*) funds in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's (GAO) Government Auditing Standards, Office of Management and Budget (OMB) Circular A-133, and any specific requirements of grantor agencies. It will be the responsibility of the audit firm to be knowledgeable of the requirements and to submit the report thereon.

The audit work includes, but is not limited to, the following:

- Financial audit of records
- Financial and compliance audit of all Federal and State grants
- Preparation of the year-end financial statements
- Preparation of IRS Form 990
- Preparation of Form 5500

The required supplemental schedules are as follow:

- Preparation of Federal financial assistance schedule
- Preparation of the State financial assistance schedule
- Fixed asset schedule for those assets that title has been retained by SNMCAC
- Schedule of budget to actual expenditure comparisons by funding source that uses the department's expenditure

The Offeror will prepare the Schedule of Expenditures of Federal Awards (*if necessary*) and all applicable compliance and internal control reviews required by the U.S. General Accounting Office's (GAO) Government Auditing Standards and OMB Circular A-133, including the Data Collection Form (SF-SAC) and the electronic filing of the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.

B. Description of Programs/Contracts/Grants

<i>DEPARTMENT</i>	<i>PROGRAM</i>	<i>APPROXIMATE AMOUNT</i>	<i>ASSISTANCE</i>
Health & Human Services	Head Start	\$ 4,416,415	Federal
Health & Human Services (Non-Metro New Mexico Area Agency on Aging pass-through)	Senior Citizens	\$ 162,446 479,879 116,139	Federal State of NM Program Income
U. S. Dept. of Agriculture	Sr. Citizens- Nutrition Services Incentive Program (NSIP)	\$ 94,059	Federal
Non-Metro New Mexico Area Agency on Aging	Senior Citizens – Senior Employment Program	\$ 43,530	State of NM
Health & Human Services	Community Services Block Grant (CSBG)	\$ 562,823	Federal

U.S. Dept. of Agriculture (amount does not include Child Care Provider payments which are processed in our office but not included in contract)	Child & Adult Care Food Program	\$ 54,600	Federal
U. S. Dept. of Agriculture	Head Start Child Food Program	\$ 254,143	Federal
Corporation for National and Community Service NM Agency on Aging	Foster Grandparent Program (FGP)	\$ 78,516 111,008	Federal State of NM
Corporation for National and Community Service NM Agency on Aging	Senior Companion Program (SCP)	\$ 27,459 39,711	Federal State of NM
Federal Emergency Management Agency	FEMA	\$ 0	Federal
United Way of Carlsbad & South Eddy County, NM	Senior Citizens (food assistance)	\$ 12,000	Local
United Way of North Eddy County, NM	Senior Citizens (food assistance)	\$ 0	Local
City of Carlsbad	Senior Citizens (food assistance)	\$ 10,500	Local

C. Performance

SNMCAC's records should be audited through June 30, 2021.

The objectives of the audits are to have you express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information, as required, when considered in relation to the financial statements taken as a whole. The objective also includes reporting on internal controls related to the financial statements and compliance with laws and regulations, noncompliance with which could have a material effect on the financial statements in accordance with the U.S. General Accounting Office's (GAO) Government Auditing Standards, Office of Management and Budget (OMB) Circular A-133, and any specific requirements of grantor agencies (*if necessary*). The audit should include tests of accounting records and other procedures you consider necessary to enable you to express such an opinion and to render the required reports.

D. Delivery Schedule

The Offeror is to transmit one copy of the draft audit report to *SNMCAC's executive director prior to submission of the final report.*

The Offeror shall deliver thirty-five (35) hard copies plus one electronic copy of the final audit report to *SNMCAC's management and the Board no later than November 18, 2021.*

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, *SNMCAC* may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances, *SNMCAC* 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 a separate, sealed envelope.

F. Payment

Payment will be made when *SNMCAC* has determined that the total work effort has been satisfactorily completed. Should *SNMCAC* reject a report, *SNMCAC*'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 the thirty-five (35) *hard* copies plus one electronic copy of the final audit report to *SNMCAC*, and upon condition of their acceptance and approval, the Offeror may submit a bill for payment on the contract for the audit.

G. Audit Review

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

H. Exit Conference

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

I. Workpapers

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs, as well as an analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and *SNMCAC*.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to *SNMCAC*, 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 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, *SNMCAC*'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 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.

III. 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 organizations audited within the past three years that are similar to *SNMCAC*.

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.

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. Include résumés of only the staff to be assigned to the audits. Résumés should include education, position in firm, years, and types of experience.

D. Understanding of Work to Be Performed

The Offeror should describe its understanding of the 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 SNMCAC, because SNMCAC desires to contract only with an Offeror who is already familiar with these publications.

IV. Proposal Evaluation

A. Submission of Proposals

All proposals shall include six (6) copies of the Offeror's technical qualifications, six (6) copies of the pricing information (in a separately sealed envelope), and six (6) 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 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 for the reviewers to form a judgment that the proposed undertaking would comply with the latest revision of the *Government Audit Standards* of the U.S. Comptroller General.

C. Proposal Evaluation

Evaluation of each proposal will be scored on the following five factors:

1. Prior audit experience.	Point Range
a. Prior experience auditing nonprofit organizations	0 - 5
b. Prior experience auditing programs funded by <i>the Federal Government</i>	0 -15
c. Prior experience auditing similar programs funded by the <i>the State of New Mexico</i>	0 - 10
SNMCAC 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, 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 understanding of work to be performed.	
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

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

However, SNMCAC 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.

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

V. Certifications

On behalf of the Offeror:

1. The individual signing certifies that he or 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 *the submission of this RFP*.
7. The individual signing certifies that the Offeror meets the independence standards of the latest revision of the *Government Auditing Standards*.
8. The individual signing certifies that he or she is aware of and will comply with the GAO's Continuing Education Requirement of 80 hours of continuing education every two years and 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 or 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 or she has read and understands the following publications relative to the proposed audits:
 - a. *Government Auditing Standards* (Yellow Book)
 - b. *OMB Circular A-133—Compliance Supplement*
 - c. *Government Auditing Standards and Circular A-133 Audits (AICPA Audit Guide)*
 - d. *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.)*

e. *Audits of State and Local Governments* (AICPA Audit Guide)

11. The individual signing certifies that he or 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 audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state, or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20_____.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)