

August 1, 2017

# Request for Proposals for Auditing Services

Workforce Escarosa, Inc.

Date of Issue: August 1, 2017

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Workforce Escarosa, Inc., hereinafter referred to Escarosa, is competitively soliciting services for the purpose of conducting a financial audit of the organization. Escarosa is a nonprofit organization with an annual operating budget of approximately \$7 million. Funding received by Escarosa consist of federal revenue and its duties are to provide oversight of the federal employment and training programs under the Workforce Investment Act, Personal Responsibility and Work Opportunities Assistance Act for welfare transition services, Veterans, Wagner-Peyser and other federal programs and their related regulations, rules and policies. Escarosa is seeking proposals for the provision of auditing services for the fiscal years ending June 30, 2017, 2018 and 2019 with a possibility of two renewals for Fiscal Years 2020 and 2021. This audit will be conducted in accordance with Generally Accepted Auditing Standards (GAAP), current Government Auditing Standards (“Yellow Book”), as issued by the Comptroller General of the United States, and provisions of the Office of Management and CFR Part 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Audit of Institutions of Higher Education and Other Nonprofit Institutions.” Attachment 1 of this Request for Proposal (RFP) states all Financial and compliance Audit requirements.

## **I. Submission of Proposals**

### **Proposals are to be submitted to:**

Name: Naeemah T. Frazier  
Title: Chief Financial Officer  
Entity: Workforce Escarosa, Inc.  
Address: 3670-2A North L Street  
Pensacola, FL 32505  
Phone: (850) 473-0939 x152  
FAX: (850) 473-0935  
Email: nfrazier@escarosa.org

All proposals must be received no later than **September 1, 2017**, by 4:00PM, Central Standard Time (CST). Proposals that are received after the above deadline will be deemed non-responsive,

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will not be reviewed nor rated, will not be considered for services, and will be returned to the Offeror with a written notice stating why the proposal is non-responsive.

Proposals shall be typed in 12 point font on 8 1/2" x 11" paper. The written narrative of the proposal shall not exceed ten (10) pages excluding any attachments. **One original and three copies must be submitted in accordance with the timeline identified below.**

All costs incurred by the organization or individual, hereinafter referred to as the Offeror, in the preparation of a proposal responding to this RFP are the responsibility of the Offeror and will not be reimbursed by the Escarosa.

Only Certified Public Accountants who are licensed by the State of Florida are eligible to submit a proposal in response to this RFP. The Offeror must provide a copy of their most recent license/CPA certification as **Attachment I** to the proposal.

This RFP is to contract for a financial and compliance audit for fiscal years 2017, 2018 and 2019 with the possibility of renewals for two (2) additional years, 2020 and 2021. The option for renewals shall be contingent upon the performance of the services being solicited. The Escarosa's fiscal year begins July 1 of any given year and ends June 30 of any given year.

The following timelines are proposed, but may be revised at the discretion of the Escarosa's Executive Director and/or Board of Directors. They are:

August 6, 2017	Legal Notice
August 7, 2017	Publish RFP
August 14, 2017	Bidder's Meeting/Letter of Intent (See below)
September 1, 2017	Deadline for RFP to be submitted (4 PM)
September 8, 2017	Evaluation Team to review RFP Responses
September 21, 2017	Executive Committee review of Evaluation Team recommendation
September 21, 2017	Executive Committee to present Recommendation of Award to Board
September 22, 2017	Firms are notified of selection
October 2, 2017	Engagement to begin

Interested parties are required to submit a Letter of Intent to Bid to Naeemah T. Frazier, Chief Financial Officer, or attend a Bidders' Meeting to be held as follows:

Location: Workforce Escarosa, Inc.  
3670-2A North L Street  
Pensacola, FL 32505  
Date: August 14, 2017  
Time: 9:00 a.m. CST

Inquiries concerning the RFP will be directed to Naeemah T. Frazier, at (850) 473-0939, extension 152.

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Escarosa requests an overall cost quote based on firm estimates of staff to be involved and the number of hours needed to complete the services identified in the RFP, and any other costs associated with the services. The Offeror must provide a bottom-line quote which states the amount the contract will not exceed based upon the services being solicited.

Escarosa 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 the RFP.

It is expected that a decision selecting the successful audit firm will be made by September 21, 2017. All firms that submitted proposals will receive written notification of the decision of the Board of Directors.

The contract will be based upon progress invoices tied to completion of audit requirements not to exceed the amount agreed to with renewal options for two (2) additional years contingent upon performance of the services being solicited and funding allocations.

## **II. Background Information**

Escarosa is responsible for providing oversight and policy direction regarding federal employment and training programs operated in Escambia and Santa Rosa Counties, Florida. There are 24 regional workforce boards within the State of Florida and are created in Florida Statute 445. A large portion of the federal funds received are allocated to the State of Florida from the U. S. Department of Labor and from the Department of Health and Human Services for activities associated with Temporary Assistance for Needy Families. Local regional workforce boards are responsible for several federal programs to include services to unemployed, underemployed, dislocated workers, welfare transition individuals, youth, veterans, and other targeted populations. Federal rules as well as state legislation govern local decisions and operations; however, local regional workforce boards have the flexibility to design and implement programs that best fit the needs of their geographical area.

Escarosa 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 Service Code. It is governed by a 17+ member Board of Directors. Administrative offices are located at 3670-2A North L Street, Pensacola, FL 32505. Fiscal records are located at the administrative offices.

The following Financial statements and audit reports are required as part of this audit:

- Statement of Financial Position
- Statement of Activities
- Statement of Changes in Net Assets
- Statement of Cash Flows
- Statement of Functional Expenses
- Supplementary Information (as required by OMB)
- Independent Auditor's Report on financial Statements
- Schedule of expenditures of State and Federal Awards

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- Independent Auditor’s Report on Compliance and on Internal control Over Financial Reporting based on an audit of financial statements in Accordance with Government Auditing Standards.
- Independent Auditor’s Report on Compliance with Requirements applicable to each major program and internal control over compliance in Accordance with CFR Part 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
- Independent Auditor’s Report on compliance with Requirements Applicable to State Grants and Aids Appropriations
- Schedule of Findings and Questioned Costs
- Management Letter and Organization’s Response to Management Letter
- IRS Form 990
- IRS form 990T
- Data Collection form for reporting on Audits of States, Local Governments and Non-Profit Organizations

Escarosa is responsible for preparing all financial statements for the organization.

All required Escarosa documents are available for review by appointment prior to the RFP submittal. The Offeror will need to contact Naeemah Frazier at (850) 473-0939, ext. 152, or via email at [nfrazier@escarosa.org](mailto:nfrazier@escarosa.org) to schedule an appointment.

The purpose of this RFP is to obtain the service 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 to perform a financial and compliance audit of Escarosa.

Government Audit Standards- “Standards for Audit of Governmental Organizations, Programs, Activities and Functions” (1994 Revision), states on page 2-4:

“Financial statement audits provide reasonable assurance about (1) whether the financial statements of an audited entity present fairly the financial position, results of operations and cash flow or changes in financial position in accordance with Generally Accepted Accounting Principles,...(2) the entity has adhered to specific financial compliance requirements, or (3) the entity’s internal control structure over financial reporting and/or safeguarding assets is suitably designated....and whether the entity has complied with laws and regulations” for those transactions and events that may have a material effect on the financial statements.

**III. Scope of Work/Performance**

1. The successful Offeror will be contracted to prepare audit reports in accordance with the **Government Audit Standards- Standards for Audit of Governmental Organizations, Programs and functions.**
2. The Contractor is to transmit one copy of the draft audit report to the Escarosa Executive Director and Chief Financial Officer at the agreed upon date.
3. The Contractor shall deliver four (4) final audit reports to the Executive Committee of the Board of Directors as soon as is reasonably possible, but no later than the end of December of the year in which the audit is conducted. Reports may be submitted earlier than the above schedule. However, if the Contractor 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, Escarosa may, by written notice of default to the Contractor, terminate the whole or part of this contract within 72 hour of delivery of notice. Under certain extenuating circumstances, the Executive Director or Escarosa Board of Directors may extend this schedule upon written request of the Contractor with sufficient justification.
4. Final payment shall be made upon the determination that all services have been performed in accordance with federal guidelines and the final report has been delivered and accepted by Escarosa. Should Escarosa reject the report, Escarosa's authorized representative will notify the contractor in writing of such rejection stating the reasons for the rejection. The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Contractor submits the final invoice for payment.
5. All audit reports prepared under this contract will be reviewed by Escarosa's Executive Committee, Escarosa's Board of Directors, and its funding sources to ensure compliance with General Accounting Office's (GAO) **Government Audit Standards- "Standards for Audit of Governmental Organizations, Programs, Activities and Functions"** and other appropriate guides.
6. The final audit will be provided to the full Board of Directors for review, discussion and acceptance. Observations and recommendations must be summarized in writing and discussed with the Board of Directors. It should include internal control and program compliance observations and recommendations.
7. Upon request, the Contractor will be required to provide a copy of the work papers pertaining to any questioned costs determined by the audit. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem. The work papers will be retained for at least five (5) years from the end of the audit period. The work papers will be available for examination by authorized

representative of any federal or state audit agency, the General Accounting office and Escarosa.

8. The Contractor agrees to keep any confidential information related to all contracts in strict confidence. Other than the reports submitted to the Escarosa, the Contractor agrees not to publish, reproduce or otherwise divulge such confidential 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 Contractor's possession, to those employees on the Contractor's staff who must have the information or to those employees on the Contractor's staff who must have the information on a "need-to-know" basis. The Contractor agrees to immediately notify, in writing, Escarosa's Executive Director in the event the Contractor determines or has reason to suspect a breach of this requirement.

9. **AIPCA Professional Standards: Ethics Interpretation 501-3- Failure to Follow Standards and/or Procedures or other Requirements in Governmental Audits.**

"Engagements for audits of governmental grants, governmental units or to her 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 audit 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 that fact that such requirements were not followed and the reasons therefore."

10. The Offeror must sign and include as an attachment to its proposal the Certifications form with the RFP (**See Attachment II of the RFP Instruction package**). The Offeror must complete the forms as required by federal and state law, and will include them as an attachment to their proposal.

#### **IV. RFP Written Narrative Response Format**

The Offeror must follow the format outlined below. All items must be addressed and responded to in the written narrative of the proposal. If an item is not addressed and is omitted, the proposal shall be deemed non-responsive, shall not be rated nor ranked, and shall not be considered for funding. The proposal shall be returned to the Offeror with a written statement noting why the proposal was deemed non-responsive. Proposals may also be deemed non-responsive due to the following reasons:

- The proposal does not contain the required attachments
  - Attachment I – CPA Certification and/or license
- The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the Government Audit Standards – "Standards for Audit of

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Government Organizations, Programs, Activities and Functions” of the U.S. Comptroller General.

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

**A Prior Auditing Experience**

1. The Offeror will need to describe its prior auditing experience including the names, addresses, contact persons and telephone numbers of at a minimum three prior organizations the Offeror has audited. Experience should include the following categories:

- a. Prior experience auditing similar programs funded by a variety of sources, such as grants, foundations and in-kind donations.
- b. Prior experience auditing programs financed by the Federal Government and by the State of Florida.
- c. Prior experience auditing nonprofit organizations.

**B. Organization, Size and Structure**

1. The Offeror will need to describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, whether or not the firm is a small or minority-owned business. Offeror will need to include a copy of the most recent Peer Review, if the Offeror has had a Peer Review, as Attachment III to this response. If the Offeror has not had a Peer Review/Quality Review, under Attachment III, the Offeror will need to provide a statement as to why this has not been completed.

**C. Staff Qualifications**

1. The Offeror will need to provide the qualifications of staff to be assigned to the audits. Descriptions will include:

- a. Staff positions that will comprise the Audit Team. Only include bios of staff to be assigned to the audits. Include education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA (only licensed CPA’s will be considered.)

**D. Understanding of Work to be Performed**

The Offeror will need to briefly describe its understanding of work to be performed, including audit procedures and other pertinent information.

**E. Budget**

Provide a budget to show estimated number of hours for each staff person to be involved in the audit, hourly rate to be charged for that staff person’s time, any other cost that will affect this contract, and an estimated full cost for completion of the audit in accordance with this RFP.

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**V. Proposal Evaluation**

Proposals will be rated and then ranked based upon the following criteria:

- Prior experience auditing similar or like organizations and or funding (30 points)
- Organizations' size and structure (20 points)
- Qualifications of staff to be assigned (30 points)
- Understanding of the work to be preformed (10 points)
- Budget (20 points)

Total points available: 110