

**PINAL GILA COMMUNITY CHILD SERVICES, INC.**

**REQUEST FOR PROPOSAL  
FOR AUDIT SERVICES**

**FOR THE PERIOD**

**August 2018 through July 2019**

**INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:**

Name: Vanessa Mendoza

Title: Accounting Director

Entity: Pinal Gila Community Child Services, Inc.

Address: 1183 E. Cottonwood Lane, Suite 2 Casa Grande, AZ 85122

Phone: 520-316-4501

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## **I. GENERAL INFORMATION**

### **A. Purpose**

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending July 31, 2019. The proposal includes options up to 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 3:00 p.m. on April 2, 2019.

#### **2. Inquiries**

Inquiries concerning this RFP should be directed to Vanessa Mendoza at 520-316-4501.

#### **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 Pinal Gila Community Child Services, Inc.

#### **4. Instructions to Prospective Contractors**

Your proposal should be addressed as follows:

Name: Vanessa Mendoza

Title: Accounting Director

Entity: Pinal Gila Community Child Services, Inc.

Address: 1183 E. Cottonwood Lane, Suite 2 Casa Grande, AZ 85122

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  
3:00 p.m. on April 2, 2019  
SEALED PROPOSAL  
For Audit Services

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 Pinal Gila Community Child Services, Inc. by the date and time specified above.

Late proposals will not be considered.

#### 5. Right to Reject

Pinal Gila Community Child Services, Inc. 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. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within four weeks of the closing date for the receipt of proposals. 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.

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

#### **E. Description of Entity and Records to be Audited**

Pinal Gila Community Child Services, Inc. is a nonprofit organization which serves two counties in Arizona. Pinal Gila Community Child Services, Inc. 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 twelve-member volunteer Board of Directors. Administrative offices and all records except child files are located at 1183 E. Cottonwood Lane, Suite 2 in Casa Grande, AZ. Other offices are located throughout Pinal and Gila Counties.

Pinal Gila Community Child Services, Inc. has two bank accounts, 401K account with Ascensus, Employee Insurance Benefits and Board of Directors have an account with Charles Schwab. Our accounting books are automated using Sage MIP fund accounting software and HR and payroll is automated through HRMS HR/Payroll software. For the fiscal year 2018-2019 we have two Head Start grants, two Early Head Start grants, CACFP program funded by state, 2 small funds, and our Board of Directors stock activity with Charles Schwab.

#### **F. Options**

At the discretion of Pinal Gila Community Child Services, Inc., this audit contract can be extended for four additional one-year periods. The cost for the option periods will be agreed upon by Pinal Gila Community Child Services, Inc. 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 Pinal Gila Community Child Services, Inc.

*Government Audit Standards*, states on page 2-1:

Financial statement audits determine (1) whether the financial statements of 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**

Pinal Gila Community Child Services, Inc. has two Head Start Grants: Head Start Basic Grant of \$7,493,269 and Head Start Duration of \$861,135. There are two Early Head Start Grants: EHS Basic Grant of \$3,251,691 and EHS Duration of \$861,135.

Pinal Gila Community Child Services, Inc. also has a 401K account with Ascensus and Employee Insurance Benefit policies that run August 1<sup>st</sup> through July 31<sup>st</sup>.

### **C. Performance**

The Pinal Gila Community Child Services, Inc.'s records should be audited through July 31, 2018. The 401K and Insurance Benefits need to be audited through August 31, 2018.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards*.

### **D. Delivery Schedule**

Offeror is to transmit one copy of the draft audit report to Pinal Gila Community Child Services, Inc.'s Executive Director. The draft audit report is due on January 15<sup>th</sup>.

The Offeror shall deliver 5 final audit reports to Pinal Gila Community Child Services, Inc.'s Board of Directors no later than January 31st.

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, Pinal Gila Community Child Services, Inc. may, by written notice of default to the Offeror, terminate the whole or any part of this 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 a separate sealed envelope.

#### **F. Payment**

Payment will be made when Pinal Gila Community Child Services, Inc. has determined that the total work effort has been satisfactorily completed. Should Pinal Gila Community Child Services, Inc. reject a report, Pinal Gila Community Child Services, Inc.'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.

Progress payments will be allowed to the extent that Pinal Gila Community Child Services, Inc. can determine that satisfactory progress is being made.

Upon delivery of the twelve copies of the final reports to Pinal Gila Community Child Services, Inc. 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 Pinal Gila Community Child Services, Inc. and its funding sources to ensure compliance with General Accounting Office's (GAO) *Government Audit Standards* and other appropriate audit guides.

#### **H. Exit Conference**

An exit conference with Pinal Gila Community Child Services, Inc.'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 Pinal Gila Community Child Services, Inc. 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 Pinal Gila Community Child Services, Inc.

## **J. Confidentiality**

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Pinal Gila Community Child Services, Inc., 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, Pinal Gila Community Child Services, Inc.'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 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 head start organizations.
2. Prior experience auditing similar programs funded by Arizona.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing nonprofit organizations.
6. Prior experience designing and/or installing accounting systems in private-non-profit Headstart organizations.

### **B. Organization, Size, and Structure**

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. 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, 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 Pinal Gila Community Child Services, Inc., because Pinal Gila Community Child Services, Inc. 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 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 Audit Standards* of the U.S. Comptroller General.

##### **C. Evaluation**

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

<b>Factors</b>	<b>Point Range</b>
1. Prior experience auditing and/or designing and installing accounting systems.	
a. Prior experience auditing private-non-profit Headstart organizations	0-10
b. Prior experience auditing similar programs funded by Arizona	0-5
c. Prior experience auditing programs 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 in private-non-profit Headstart organizations	0-5
Pinal Gila Community Child Services, Inc. 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
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 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	0-10
b. Realistic time estimates of each audit step	0-5
5. Price	0-20
<b>MAXIMUM POINTS:</b>	<b>100</b>

#### **D. Review Process**

The Pinal Gila Community Child Services, Inc. may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offeror's proposals.

However, Pinal Gila Community Child Services, Inc. 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.

Pinal Gila Community Child Services, Inc. contemplates award of the contract to the responsible Offeror with the highest total points.

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## **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 the Offeror is a properly licensed certified public accountant, or a public accountant licensed.

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. OMB Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*

3. OMB Circular A-133 - *Compliance Supplement*

4. 2 CFR Part 200(b), of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

5. *A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contract with the Department of Health and Human Services*

6. *Not-for-Profit 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 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)