

## General Information

### Request for Proposal #16-06 Audit Services

#### A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit the program year ending June 30, 2016. 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 may be submitted no later than 4:30 p.m. on April 29, 2016.
2. 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 Workforce Development Council (WDC) of Seattle-King County.
3. Instructions to Prospective Contractors:  
\*Please refer any questions to [operations@seakingwdc.org](mailto:operations@seakingwdc.org). Questions must be received by Friday, April 15<sup>th</sup>. Answers to all received questions will be posted on the website [here](#).

**Please email your completed proposal to [operations@seakingwdc.org](mailto:operations@seakingwdc.org)**

**For the subject line:** Request for Proposal #16-06

**Due:** April 29, 2016 4:30 p.m.

For Audit Services

4. Right to Reject: Workforce Development Council (WDC) of Seattle-King County 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.
5. Small and/or Minority-Owned Businesses: Efforts will be made by the Workforce Development Council (WDC) of Seattle-King County 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).
6. Notification of Award:



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- a. 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.
  
- b. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to Request for Proposal 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 additional one-year periods.

**D. Description of Entity and Records to Be Audited**

The Workforce Development Council (WDC) of Seattle King County 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 volunteer board of directors. Administrative offices and all records are located at 2003 Western Avenue, Suite 250, Seattle, Washington.

**E. Options**

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

## **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 the WDC.

### **B. Performance**

The Offeror is required to prepare audit reports in accordance with Governmental Auditing Standards.

### **C. Delivery Schedule**

Offeror is to transmit one copy of the draft audit report to WDC’s Chief Operating Officer. The draft audit report is due one week prior to the December Board Finance Committee meeting.

The Offeror shall deliver five final audit reports to WDC’s Board of Directors at the December Finance Committee meeting.

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, the WDC 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 the schedule upon written request of the Offeror with sufficient justification.

### **D. Price**

The Offeror’s proposed price should 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.

### **E. Payment**

Payment will be made when the WDC has determined that the total work effort has been satisfactorily completed. Should the WDC reject a report, the WDC’s authorized representative will notify the Offeror in writing of such rejection, and provide the reasons. 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 the WDC can determine that satisfactory progress is being made.

Upon delivery of the copies of the final reports to the WDC and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

#### **F. Audit Review**

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

#### **G. Exit Conference**

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

#### **H. 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 GAO, and WDC.

#### **I. Confidentiality**

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

#### **J. American Institute of Certified Accountants (AICPA) Professional Standards**

The AICPA Professional Standards state:



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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, guide 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 members discloses in his report the fact that such requirements were not followed and the reasons therefor.

### **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 private non-profit organizations
2. Prior experience auditing similar programs

#### **B. Additional Value Beyond the Audit**

The Offeror should include an explanation of other services that can be provided to nonprofits, specifically including value-added items. Value-added items can include consulting services, training services, and products.

#### **C. 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 Offer, 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 or minority-owned business.

#### **D. Staff Qualifications**



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The Offeror should describe the qualifications of staff to be assigned to the audit.

Descriptions should include:

1. Audit team makeup
2. Overall supervision to be exercised
  
3. Prior experience of the individual audit team members. Include resumes of only the staff to be assigned to audit. Include education, position in firm, and years and types of experiences.

**E. 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.

**F. Certifications**

The Offeror must sign and include, as an attachment to its proposal, the Certifications enclosed with this RFP. The publication listed in the Certifications will not be provided to potential Offerors by the WDC because WDC desires to contract only with an Offeror who is already familiar with these publications.

**Proposal Evaluation**

**A. Submission of Proposals**

All proposals shall include the Offeror's technical qualifications, pricing information and signed Certifications.

**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 five factors:



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1. Prior audit experience
2. Other services and/or products to be provided
3. Organizations, size, and structure of Offeror's firm (consider size in relation to audit to be performed)
  
4. Qualifications of staff to be assigned to the audit to be performed. This will be determined from resumes submitted. Include education, position in firm, and years, and type of experience.
5. Offeror's understanding of the work to be performed
6. Price

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

The WDC 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, WDC 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.

WDC 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 for the execution of this agreement, other than to an employee of the Offeror.
4. The individual signing certifies that the price 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 licensed on or before (date of licensing).
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 an 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
  - b. OMB Circular A-133, Audits of Institutions of Higher Educations and Other Nonprofit Institutions
  - c. OMB Circular A-133-Compliance Supplement
  - d. Government Auditing Standards and Circular A-133 Audits (AICPA Audit Guide)





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11. 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 \_\_\_\_\_, 2016

Offeror's Firm Name

Signature of Offeror's Representative

Printed Name and Title of Individual Signing