



**REQUEST FOR PROPOSAL  
FOR AUDIT AND TAX SERVICES**

**FOR THE YEAR ENDED  
December 31, 2020**

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

**Magi York  
Executive Director  
Panhandle Community Services**

[magi.york@pcsvcs.org](mailto:magi.york@pcsvcs.org)

**I. GENERAL INFORMATION**

**A. Purpose**

This Request for Proposal (RFP) is to contract as of December 31, 2020 for the following:

- 1) Financial and compliance audit
- 2) Preparation of the Federal Form 990
- 3) Financial and compliance audit for the Agency's 403(b) Plan
- 4) HUD REAC submissions for HCV Section 8 Program

The proposal includes options for three 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 November 6th, 2020
2. Inquiries  
Inquiries concerning this RFP should be directed to Magi York, Panhandle Community Services.
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 Panhandle Community Services.
4. Instructions to Prospective Contractors  
Your proposal should be addressed as follows:

**Magi York  
Panhandle Community Services  
PO Box 32150  
Amarillo, TX 79120-2150**

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked with the following information:

Request for Proposal  
4:30 p.m., November 6th, 2020  
SEALED PROPOSAL  
For Audit & Tax Services

OR

Proposals may be submitted via e-mail. All electronic proposals must be sent as an attachment to [magi.york@pcsvcs.org](mailto:magi.york@pcsvcs.org) by 4:30 pm on November 6th, 2020. Enter: For Audit and Tax Services in the subject line.

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 Panhandle Community Services by the date and time specified above.

Late proposals will not be considered.

**5. Right to Reject**

Panhandle Community Services 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. Small and/or Minority-Owned Businesses**

Efforts will be made by Panhandle Community Services 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) by having average annual receipts for the last three fiscal years of less than six million dollars.

**7. Notification of Award**

It is expected that a decision selecting the successful audit firm will be made within forty-five days 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 three additional one-year periods.

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

Panhandle Community Services (PCS) is a non-profit organization which serves northern twenty six counties in the Panhandle of Texas. PCS 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 15-member volunteer Board of Directors. Administrative offices and all records are located at 1309 SW 8<sup>th</sup> Street, Amarillo, TX. Other offices are located throughout the twenty six county area.

The 2019 audit report and IRS Form 990 are available at our website [www.pcsvcs.org](http://www.pcsvcs.org) in order the help determine the size and scope of the audit and tax services requested.

**E. Options**

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

*Government Audit Standards* states:

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 accounting principles generally accepted in the United States of America, 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. Performance**

PCS's records should be audited through December 31, 2020.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards, CFR 200, Texas Single Audit*, and Auditing Standards Generally Accepted in the United States of America.

The Offeror is required to prepare IRS form's 990 and all appropriate forms in accordance with IRS regulations.

The Offeror is required to prepare audit reports in accordance with Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 for PCS's 403(b) plan.

**C. Delivery Schedule**

Offeror is to transmit one copy of the draft audit report to Magi York, Executive Director no later than June 1st, 2021

The Offeror shall deliver final audit reports to PCS's Board of Directors no later than June 17th, 2021.

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, PCS 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.

**D. Price**

The Offeror's proposed price should be submitted as part of the proposal. 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 PCS has determined that the total work effort has been satisfactorily completed. Should PCS reject a report; PCS'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 PCS can determine that satisfactory progress is being made.

Upon delivery of 35 bound copies of the final reports to PCS 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 PCS and its funding sources to ensure compliance with General Accounting Office's (GAO) *Government Audit Standards* and other appropriate audit guides.

**G. Exit Conference**

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

**H. Work papers**

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

**I. Confidentiality**

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

**J. 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 audited 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 PCS.
2. Prior experience auditing similar programs.
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 community action agencies.

**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, 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.

**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 Offeror's by PCS, because PCS 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 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*.

**C. Evaluation**

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

<b><u>Factors</u></b>	<b><u>Point Range</u></b>
1. Prior experience auditing and/or designing and installing accounting systems.	
a. Prior experience auditing PCS	0-5
b. Prior experience auditing similar programs.	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 community action agencies.	0-5

PCS may contact prior audited organizations to verify the experience provided by the Offeror.

1. Organization, size, and structure of the Offeror's firm. (Considering size in relation to audits to be performed.)	
a. Adequate size of the firm.	0-5
b. Minority/small business	0-5
2. 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
3. Offeror's understanding of work to be performed.	
a. Adequate coverage.	0-10
b. Realistic time estimates of each audit step.	0-5
4. Price	<u>0-20</u>

**MAXIMUM POINTS**

**100**

**D. Review Process**

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

However, PCS 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 priced standpoints, which the Offeror can propose.

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

### **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.
- G. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standard*.
- 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.*
  - 2. *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
  - 3. *State of Texas Uniform Grants Management Standards, Single Audit Circular*
  - 4. *A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contracts with the Department of Health and Human Services*
  - 5. *Audits of Voluntary Health and Welfare Organizations (AICPA Audit Guide)*
  - 6. *Audits of Certain Nonprofit Organizations (AICPA Audit Guide)*
  - 7. *Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.*
  - 8. *All updates as published in 2CFR Part 200*
  
- 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 \_\_\_\_\_, 2020.

\_\_\_\_\_  
 Offeror's Firm Name

\_\_\_\_\_  
 Signature of Offeror's Representative

\_\_\_\_\_  
 Printed Name and Title of Individual Signing