



REQUEST FOR PROPOSAL FOR AUDIT SERVICES

FOR THE PERIOD

July 1, 2013 to June 30, 2014

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Name: Steve Costner
Title: Finance Director
Entity: Early Learning Coalition of Hillsborough County
Address: 1002 East Palm Avenue, Tampa, FL 33605
Email: scostner@elchc.org

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REQUEST FOR PROPOSAL FOR AUDIT SERVICES

I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the fiscal year ending June 30, 2014, as well as the preparation of the agency's IRS Form 990. The proposal includes options for four additional years.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. RFP Timeline

1. Release on 04/14/14
2. Letter of intent due 04/28/14
3. Inquiries due 04/28/14
4. Release answers to inquiries on 04/25/14
5. RFP responses due to ELCHC on 05/30/14
6. RFP responses delivered to RFP committee on 06/4/14
7. RFP committee selects audit firm on 06/16/14
8. Audit firm selection presented to board on 7/14/14
9. Contract executed by 07/31/14

D. Instructions on Proposal Submission

1. Closing Submission Date

Proposals must be submitted no later than **4:00 p.m. ELCHC time, on May 30, 2014**. The submittal shall include six (6) hard copies of the proposals as well as one electronic copy.

2. Letters of Intent

Offerors are required to provide a letter of intent to submit a proposal no later than **April 28, 2014** to the address listed above. The letter shall state the Offeror's name, company contact information, and a statement of intent to submit a proposal. The purpose of the letter of intent is to ensure adequate time is scheduled to review and score the proposals.

3. Inquiries

The sole point of contact with the Coalition for purposes of this Request for Proposals is:

Steve Costner
Early Learning Coalition of Hillsborough County
1002 East Palm Avenue
Tampa, FL 33605
Phone: 813-515-2340
Fax: 813-435-2299
Email: scostner@elchc.org

Email is the preferred method of communication. Offerors shall not contact any other employee or representative of the Coalition for information with respect to this Request for Proposal. Nor shall the Coalition be bound by any information that is not expressly contained within this Request for Proposal or that is not properly developed, noticed and issued.

Substantive questions regarding this Request for Proposals must be submitted, via email by 4:00 p.m., **ELCHC time, April 28, 2014**, to ensure that sufficient analysis can be made before answers are supplied. No further questions regarding this Request for Proposals will be entertained after **4:00 p.m., ELCHC time, April 28, 2014**.

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Reasonable efforts will be made to answer Offerors' questions; however, the Coalition is not bound to provide responses that meet with individual Offeror's satisfaction. Written responses to all questions will be sent via email or facsimile to Offerors who have submitted a letter of intent.

4. 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 the Early Learning Coalition of Hillsborough County.

5. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

Name: Steve Costner
Title: Finance Director
Entity: Early Learning Coalition of Hillsborough County
Address: 1002 East Palm Avenue
Tampa, FL 33605

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 4:00 p.m. May 30, 2014 <u>SEALED PROPOSAL</u> For Audit Services
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Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to ensure that the proposal is received by the Early Learning Coalition of Hillsborough County by the date and time specified above.

Late proposals will not be considered.

6. Right to Reject

The Early Learning Coalition of Hillsborough 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 this RFP.

7. Small and/or Minority-Owned Businesses

Efforts will be made by the Early Learning Coalition of Hillsborough County to utilize small businesses and minority-owned business.

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

It is expected that a decision selecting the successful audit firm will be made within 4 weeks of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

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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

The Early Learning Coalition is a nonprofit organization which serves as an intermediary for child care services and the Voluntary Prekindergarten Program. The Hillsborough County School Readiness Coalition 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 20 member volunteer Board of Directors. Administrative offices and all records are located at 1002 East Palm Avenue, Tampa, FL 33605.

Financial records are maintained in MIP® Micro Information Products - Financial Management Software. Payroll processing and benefits administration are managed through a contract with Fortune Business Solutions.

The following is some brief information to assist in accurately gauging the size and scope of the environment in which the audit will take place.

<i>Number of full and part time employees:</i>	25
<i>Approximate number of accounting transactions (annual)</i>	900
<i>Bank accounts for Coalitions funds</i>	1

F. Options

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

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

The following grants will be audited for the fiscal year ending June 30, 2014:

- 1. Florida Office of Early Learning Grant (SR#254), which is a pass through of state and federal funds received for child care services. The grant award for FYE 06/30/14 is the amount of \$42,549,828. The grant award is for the period July 1, 2013 to June 30, 2014. Estimated allocation to funding source is as follows:*

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93.558-Temporary Assistance to Needy Families (TANF)	17.48%
93.558-TANF Maintenance of Effort (MOE)	11.83%
93.575-Child Care Development Fund	17.36%
93.575- Child Care Development Fund	19.48%
93.596-CCDFMandatory/Matching	6.75%
93.596-CCDF Matching (Federal Share)	14.05%
93.596-CCDF Matching (State Share)	8.82%
93.596-CCDF Maintenance of Effort (MOE)	4.14%
93.667-Social Service Block Grant	0.09%

2. *Florida Office of Early Learning Grant (SV#254)*, awarded for the implementation of the State's Voluntary Pre-kindergarten (VPK) Program. The grant award for FYE 06/30/14 is in the amount of \$28,885,865. Funding source is as follows:

CSFA-48.108 State Only Funds

3. Children's Board of Hillsborough County. The contractual agreements are for the period October 1, 2013 to September 30, 2014. The contractual agreements are for the following programs:

Match for School Readiness and Child Care Purchasing Pool - \$1,763,239.
Quality Counts for Kids Program - \$2,200,000.

4. For fiscal year ending June 30, 2014, the Coalition sub-contracted with the School District of Hillsborough County to provide School Readiness and Voluntary Pre-Kindergarten Services. The amounts of the contracts are \$38,451,426 and \$28,330,442, respectively. The School District of Hillsborough County is responsible for ensuring controls and compliance are in place over both School Readiness and Voluntary Pre-kindergarten funds. The Coalition monitors this funding in accordance with State requirements.

C. Performance

The Coalition's records should be audited through June 30, 2014.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards*, and the Florida Single Audit Act (215.97 F.S. and Chapter 10.650, Rules of the Auditor General and Chapter 27D-1, Rules of the Executive Office of the Governor).

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to the Early Learning Coalition's Finance Director. The draft audit report is due on December 30, 2014.

The Offeror shall deliver fifteen (15) hard copy final audit reports to the Early Learning Coalition's Board of Directors no later than January 12, 2015.

The Offeror shall also deliver 1 electronic copy, in PDF format, to the Early Learning Coalition's Finance Director no later than January 12, 2015

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, the Early Learning Coalition of Hillsborough County may, by written notice of default to the Offeror, terminate the whole or any part of this contract.

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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 the Early Learning Coalition of Hillsborough County has determined that the total work effort has been satisfactorily completed. Should the Early Learning Coalition reject a report, the Coalition'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 the Early Learning Coalition of Hillsborough County can determine that satisfactory progress is being made.

Upon delivery of the fifteen (15) copies of the final reports to the Early Learning Coalition of Hillsborough County 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 the Early Learning Coalition of Hillsborough County 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 the Coalition'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 Early Learning Coalition of Hillsborough County. It should include internal control and program compliance observations and recommendations.

I. 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 the Early Learning Coalition of Hillsborough County.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence.

Other than the reports submitted to the Early Learning Coalition of Hillsborough County, 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 the Coalition's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

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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 Early Learning Coalitions.
2. Prior experience auditing similar programs funded by the State of Florida.
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 auditing system conversions.

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. If applicable, the Offeror shall disclose any disciplinary action taken by the State Board of Accountancy within the last three years. The Offeror should also include a proposed plan for auditing the Coalition.

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.
4. List of jobs staff are currently assigned that have the same fiscal year-end or is a conflict with our proposed timeline. Indicate how these conflicts will be managed.

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.

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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 Early Learning Coalition of Hillsborough County, because the Early Learning Coalition of Hillsborough County desires to contract only with an Offeror who is already familiar with these publications.

V. 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:

<u>Factors</u>	<u>Point Range</u>
1. Overall experience.	
a. Prior experience auditing Early Learning Coalitions.....	0-10
b. Prior experience auditing similar programs funded by the State of Florida	0-10
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 auditing system conversions.....	0-5

The Early Learning Coalition of Hillsborough County will contact prior audited organizations to verify the experience provided by the Offeror.

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- 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
 - b. Minority/small business.....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.....0-10
- MAXIMUM POINTS.....100**

D. References

The Coalition may, at its discretion, contact firm references. Please include a list of three references who we may contact.

E. Review Process

The Early Learning Coalition of Hillsborough County 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, the Early Learning Coalition of Hillsborough County 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.

The Early Learning Coalition of Hillsborough County contemplates award of the contract to the responsible Offeror with the highest total points.

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CERTIFICATIONS

On behalf of the Offeror:

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- 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 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 of 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 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 Institutions of Higher Education and Other Nonprofit Institutions*
 - 3. OMB Circular A-133, *Compliance Supplement*

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4. OMB Circular A-110 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
5. OMB Circular a-122, Cost principles for Nonprofit Organizations
6. *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*
7. *Audits of Voluntary Health and Welfare Organizations* (AICPA Audit Guide)
8. *Audits of Certain Nonprofit Organizations* (AICPA Audit Guide)
9. 45 C.F.R. Part 98 and 99

J. 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 program/grants/contracts to be audited.

K. 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 _____, 2014.

Offeror's Firm Name

Signature of Offeror's Representative

Printed Name and Title of Individual signing