



**Education and Training Connection (ETC) and
County Connections of Midland (CCM)**

Request for Proposal

For audit services

For the fiscal year ending
6/30/2013
with option for renewal for fiscal years ending
6/30/2014
6/30/2015

Inquiries and proposals should be directed to:

Marion Bowen
Accounting Manager
Education and Training Connection (ETC)
844 E Isabella Rd., Midland, MI 48640

989.631.5202 ext. 206

Table of Contents

General Information

- A. Purpose
- B. Who May Respond
- C. Bidder's Conference
- D. Instructions on Proposal Submissions
 - 1. Closing Submission Date
 - 2. Inquiries
 - 3. Conditions of Proposal
 - 4. Instructions to Prospective Contractors
 - 5. Electronic Submissions
 - 6. Bid Form
 - 7. Right to Reject
 - 8. Small and/or Minority-Owned Businesses
 - 9. Notification of Award
- E. Description of Entity and Records to be Audited
- F. Options

Specification Schedule

- A. Scope of a Financial and Compliance Audit
- B. Description of Programs/Contracts/Grants
- C. Performance
- D. Delivery Schedule
- E. Price
- F. Payment
- G. Audit Review
- H. Exit Conference
- I. Workpapers
- J. Confidentiality
- K. AICPA Professional Standards

Technical Qualifications

- A. Prior Auditing Experience
- B. Organization, Size, and Structure
- C. Staff Qualification
- D. Understanding of Work to be Performed
- E. Certifications

Proposal Evaluation

- A. Submission of Proposals
- B. Nonresponsive Proposals
- C. Proposal Evaluation
- D. Review Process

Certifications

2011 Audits

Bid Form

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, 2013 (ETC) and September 30, 2013 (CCM). The proposal includes options for two additional years, fiscal years 2014 and 2015.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Bidder's Conference

N/A

D. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on October 15, 2012.
2. Inquiries: Inquiries concerning this RFP should be directed to Marion Bowen, 989.631.5202 extension 206.
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 ETC.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Marion Bowen
Accounting Manager
Education and Training Connection
844 E. Isabella Rd
Midland, MI 48640

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. October 15, 2012
Audit Services

5. Electronic Submissions: Proposals can be submitted electronically to the following email address: marion.bowen@etc-1.com by the closing submission date noted above.
6. Bid Form: All proposals must include the specific bid form included with this RFP.

It is the responsibility of the Offeror to ensure that the proposal is received by ETC by the date and time specified above. Late proposals will not be considered.

7. Right to Reject: ETC 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.
8. Small and/or Minority-Owned Businesses: Efforts will be made by ETC 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).
9. Notification of Award:
 - a. It is expected that a decision selecting the successful audit firm will be made within two (2) 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 this 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 two additional one-year periods.

E. Description of Entity and Records to be Audited

ETC is a nonprofit organization which serves people in Saginaw and Midland counties in Michigan. ETC 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 five-member volunteer Board of Directors. Administrative offices and all records are located at 844 E Isabella Road, Midland, Michigan. County Connection of Midland is an associated but separate non-profit, tax exempt entity which provides transportation for Midland County.

All accounting records are maintained at the administrative offices at 884 W. Isabella Rd, Midland, Michigan. Books are maintained on automated systems using Sage Peachtree Quantum 2011 for all accounting functions with the exception of payroll. Payroll and personnel records are processed and maintained through ADP. There were 152 W-2's processed for 2011.

ETC currently maintains two (2) active bank accounts: operating account at Comerica Bank and the Flexible Spending Account, also at Comerica Bank. There are approximately 1,600 checks issued from the operating account annually with a number of recurring payments made through electronic funds transfers. 100% of the flexible spending reimbursements are made electronically.

There are approximately 100 customers served by ETC. Over 60% of these customers are served in the training program and sales to the individual consumers are seldom recurring. The primary sources of revenue include, but are not limited to, the following:

- Training – primary concentration on computer classes and EMT/medical classes
- School Readiness grant
- Bullock Creek Before & After Child Care grant
- Adult Education – State Aid grant
- Adult Education – Federal grants
- Alternative Education – Saginaw Public School District
- Adult Education – Midland County Jail
- Youth Program – Workforce Investment Act (WIA) grant, for both in-school and out-of-school youth
- Job Training – Michigan Works! and Experience Works! programs.
- Administrative and personnel support: ACEA, CCM, and Windover School

ETC maintains 24 active cost centers for maintenance and identification of costs.

CCM processes approximately 800 checks annually through accounts payable. There were 47 W-2s issued in 2011. Revenues are generated through fare receipts, county millage, state operating assistance from the Department of Transportation, and federal operating assistance.

Financial records are not available for review prior to proposal submission but relevant questions concerning the accounting processes can be directed to the Accounting Manager.

F. Options

At the discretion of ETC, this audit contract can be extended for two additional one-year periods. The cost for the option periods will be specified on the bid form provided with this RFP.

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 ETC. Separate bids are requested for the completion of a single audit.

B. Description of Programs/Contracts/Grants

Training Services: Customized training, development, and implementation in emergency medical services, computer software, and employment skills.

Adult Education/GED: Adult education is offered in Midland County and the City of Saginaw for individuals age 20 and over. With the approval of the school districts, participants in these programs may complete credits for a high school diploma, earn a GED certificate, upgrade basic skills such as reading and math, or learn English as a second language.

Assessment Services: ETC performs a variety of assessment services for educational and professional purposes, such as GED Testing and Work Keys (an assessment measuring skills as they relate to a particular type of employment). ETC is a Kryterion testing site. Customized assessment is also offered if needed. Consultation, development and delivery of an assessment instrument are services available as requested.

Early Childhood Services: ETC partners with Midland County Schools to provide child care program services for pre-Kindergarten through 5th grade students.

Alternative Education/Young Adults: Programs offering an alternative to the traditional high school setting are offered in Saginaw through a partnership with Saginaw Public Schools and in Midland County through two public academies: Windover High School and Academic and Career Education Academy (ACEA). In Midland County, a student program called Youth Works gives additional support to encourage attendance and overall success.

Educational Service Provider: ETC contracts personnel to academies and other educational entities as requested.

Association Management & Event Services: ETC provides management and specialized administrative services to associations.

Transportation - CCM dial-a-ride services

See our website at <http://etc-1.com> for additional information.

C. Performance

ETC's records should be audited through June 30, 2013 and CCM through September 30, 2013.

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 ETC's Accounting Manager. The draft audit report is due to the Accounting Manager no later than the second Friday of September for ETC and no later than the last Friday of October for CCM.

The Offeror shall deliver 10 final audit reports to ETC's Board of Directors no later than the date of the October ETC Board of Directors meeting, normally scheduled for the second Tuesday of each month.

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, ETC 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 on the bid form provided. In a separate document, 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.

F. Payment

Payment will be made when ETC/CCM has determined that the total work effort has been satisfactorily completed. Should ETC reject a report, ETC'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 ETC can determine that satisfactory progress is being made.

Upon delivery of the copies of the final reports to ETC 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 ETC 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 ETC'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 ETC. 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 ETC.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to ETC/CCM, 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 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, ETC'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 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 (type of entity).
2. Prior experience auditing the Community Services Block Grant (CSBG).
3. Prior experience auditing programs similar to ETC's.
4. Prior experience auditing nonprofit organizations.
5. Prior experience providing other services to nonprofits.

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, woman, 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. Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience.

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 ETC, because ETC desires to contract only with an Offeror who is already familiar with these publications.

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.

If submitting proposal by electronic submission, all supporting documents should be scanned and attached to the electronic file.

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. Proposal Evaluation

Evaluation of each proposal will be scored on the following five factors:

1. Prior audit experience.

Point Range

0 - 30

- a. Prior experience auditing (type of entity).
- b. Prior experience auditing similar programs.
- c. Prior experience auditing nonprofit organizations.
- d. Prior experience providing other services to nonprofits.

ETC will contact prior audited organizations to verify the experience provided by the Offeror.

2. Organization, size, and structure of Offeror's firm. (Consider 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. Include education, position in firm, years and types of experience.

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
Maximum Points	100

D. Review Process

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

However, ETC 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.

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

[Access Bid Form Here](#)

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, communication, or agreement, for the purpose of restricting competition.
4. 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.
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 public accountant 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 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.
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 (Yellow Book)
 - b. OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions
 - c. OMB Circular A-133 - Compliance Supplement
 - d. Government Auditing Standards and Circular A-133 Audits (AICPA Audit Guide)
 - e. OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
 - f. OMB Circular A-122, Cost Principles for Nonprofit Organizations
 - g. Audits of not-for-profit entities (AICPA Audit Guide)

11. 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.
12. 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)



884 E. Isabella Rd.
Midland, MI 48640
989.631.5202

REQUEST FOR PROPOSAL BID FORM

	FY 2013	FY 2014	FY 2015
Annual Audit - ETC	\$ _____	\$ _____	\$ _____
Includes:			
Year End Financial Statements			
990 Report			
Management Letter			
Single Audit	\$ _____	\$ _____	\$ _____
Ancillary Costs – List:	\$ _____	\$ _____	\$ _____

Annual Audit - CCM	\$ _____	\$ _____	\$ _____
Includes:			
Year End Financial Statements			
990 Report			
Management Letter			

Submitted By: _____ Date: _____

Type name and title of submitter: _____

Company Name: _____

Company Phone: _____