

MCKEAN COUNTY HOUSING AUTHORITY
Request for Proposals
And
Statement of Qualifications for Audit Services
Solicitation No. 2020-003

Introduction

McKean County Housing Authority (hereinafter referred to as "MCHA) is soliciting a proposal for Statement of Qualifications for Audit Services. (Hereinafter referred to as "Bidder or Firm, or Offeror.")

Bidders are required to submit written proposals that present the bidder's qualifications and understanding of the work to be performed. The bidder's proposal should be prepared simply and economically and should provide all information it considers pertinent to its qualifications for Requested Proposals Qualifications contained herein. Emphasis should be placed on completeness of services offered and clarity of content.

Request for proposals are available for viewing and downloading at the following link: www.mckeancountyhousing.com or by sending an email with the subject line – Statement of Qualifications for Audit Services – to: pjfitzsimmons@mckeancountypa.org

RFP information including links for the RFP, Response to Questions, and other notifications can be found at: www.mckeancountyhousing.com

If it becomes necessary to amend this RFP, amendments will be posted at the following website:

www.mckeancountyhousing.com

The MCHA encourages qualifications from Minority and Women Business Enterprises and Section 3 firms. It is the policy of the MCHA to encourage Minority and Women Business Enterprises as well as Section 3 firm participation in this program and all respondents are expected to cooperate in implementing this policy. The MCHA reserves the right to waive any or all informalities, and to reject any or all qualifications, or any qualifications that is incomplete, conditional, obscure, or which contains irregularities of any kind, or any or all qualifications not deemed to be in the best interest of the MCHA.

All RFPs must be received no later than 3:00 p.m. EST, Friday June 26, 2020, at 415 West Main Street, Smethport PA 16749.
RFPs received after this date and time will not be accepted.

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**REQUEST FOR PROPOSALS
And
STATEMENT OF QUALIFICATIONS FOR AUDIT SERVICES**

PART I PROCUREMENT INFORMATION

The McKean County Housing Authority will accept proposals with Statements of Qualifications from Certified Public Accounting Firms for audit services for fiscal year 2020-2022 with the option to extend the contract for two additional years.

There are three organizations; the Housing Authority, Redevelopment Authority and non-profit partnership A Partnership In Housing, Inc., each with a fiscal year end of September 30.

The organizations are an equal opportunity employer and do not discriminate against any person because of age, race, color, religion, sex, national origin, or disability. Attention is called to the Equal Opportunity provisions stipulated in paragraph 16 of the Proposal and Contract between the Authorities and the Independent Public Accountant for Audit Services (attached hereto). Minority Business Enterprises are encouraged to submit proposals solicited by this request.

All services rendered in conducting the audit must be in accordance with the existing rules, orders, directives, regulations, and handbooks promulgated by the United States Department of Housing and Urban Development.

Interested firms shall submit 3 copies of the proposal to the following address no later than 3 P.m. June 26, 2020.

**McKean County Housing Authority
415 W Main Street
Smethport, PA 16749
Attention: Patricia Fitzsimmons**

All envelopes must be sealed and marked: Audit Proposal.

Firms should be prepared to present cost information in a flat yearly fee (to be billed separately for each organization by successful bidder) for each of the three one-year periods. **The fee will include all REAC submissions** (including FDS and Audit Report). This will be shown as a separate line item. This fee structure should be supported by an hourly rate based upon the type of personnel to be assigned to the audit.

The contract period shall be for three years with the option to extend for two additional years and will be subject to approval by the Board of Directors.

The Authorities reserve the right to reject any or all proposals and to select the firm, which in its judgment, best meets the needs of the Authorities. The Authorities also reserve the right to terminate the contract with proper notice.

PART II

AUDIT OBJECTIVES AND SCOPE OF SERVICES

The **Redevelopment Authority** requests an audit in accordance with CFR Part 200 of the following programs:

- 2015 CDBG
- 2016 CDBG
- 2017 CDBG
- 2018 CDBG
- Economic Loan Fund
- Emergency Solution Grant
- McKean County Homeless Housing Assistance Grant
- Reinvestment Rental Assistance Grant
- Forensic MH Rental Assistance Grant
- Home Program
- Act 137 Program
- Revolving Fund
- Act 152 Program

The **Housing Authority** of the County of McKean requires an audit in accordance with CFR Part 200 of the following programs:

| | |
|---------------------------|-----------|
| <i>Public Housing</i> | 416 units |
| <i>Section 8 Vouchers</i> | 468 units |

Capital Fund Programs

| | |
|------|--------------|
| 2017 | \$522,518.00 |
| 2018 | \$807,482.00 |
| 2019 | \$838,443.00 |
| 2020 | \$831,784.00 |

Continuum of Care

A Partnership in Housing Inc. requests an audit in accordance with CFR Part 200 of the following projects:

| | |
|-----------------------------|----------|
| East View/Smethport Commons | 19 units |
| Central Towers | 84 units |
| East View Management | |
| PHARE Grant | |

The IPA shall audit the accounts and records of the Authority in accordance with generally accepted government auditing standards (as defined in Standards for Audit Government Organizations, Programs, Activities and Functions) and the auditing and reporting provisions of CFR Part 200 or the most recent OMB compliance requirements for auditors. The audit must be performed and reported in compliance with the requirements of GASS. The audit performed should be sufficient in the scope to enable the Auditor to express an opinion on whether the financial statements fairly present the financial position of the Housing Authority, in accordance with generally accepted accounting principles. The Contractor shall also include an Agreed upon Procedures Attestation applied to the Financial Data Schedule as required by HUD's Real Estate Assessment Center (REAC).

The audit report must be in a format, which is approvable by the United States Department of Housing and Urban Development as detailed in the HUD Audit Guide (7476.1 REV-1), the Single Audit Act of 1984, and any relevant government regulations.

B. The following financial statements shall be prepared for MCHA and MCRA:

1. Statement of Net Position
2. Statement of Revenues, Expenses and Change in Net Position
3. Statement of Cash Flows

C. The Following Financial statements shall be prepared for APIH

1. Statement of Financial Position
2. Statement of Activities
3. Statement of Cash Flows

- D. The audit will be a financial and compliance audit as required by the U.S. General Accounting Office's (GOA) Government Auditing Standards.
- E. Accompanying the financial statements, the Auditor will submit a Management Letter of Comments and Recommendations, if applicable.
- F. The Auditor will comply with all HUD guidelines and requirements existing and those that will or may affect future years of this contract.

- G. The audit shall comply with all HUD rules, regulations and guidelines. Each audit report shall contain at least the following:
- a. The annual financial statements and any supplementary data required within the scope of the audit.
 - b. The Auditor's study and evaluation of the entity's system of internal accounting control. The Auditor's report shall identify any deficiencies uncovered and make appropriate suggestions to correct any deficiencies found and identified.
 - c. Compliance matters which may have a material effect on the financial statements reported upon shall be reported. Methods of correction shall be suggested.
 - d. A statement that the audit was made in accordance with generally accepted government auditing standards as well as all applicable laws and provisions.
 - e. The Auditor in charge will conduct an exit conference with the Executive Director and staff. At the exit conference, findings and recommendations regarding compliance and internal controls shall be discussed.
- H. Data from prior years will be available upon request; there are no open audit findings from previous years.
- I. No audit shall be published until the draft submitted to the Executive Director is approved.
- J. The Auditor shall also submit to the Federal Clearinghouse the data collection form, SF-SAC, Data Collection Form for Reporting on Single Audits, and one copy of the reporting package (as defined in OMB Circular A-133, Section .320). A copy of the reporting package submitted to the Federal Clearinghouse for the Single Audit shall also be submitted to the local HUD office.
- K. Upon completion of the audit, an Audit Report consisting of those elements described in the Audit Guide shall be simultaneously submitted to the following offices:
- a. 10 copies - PHA.
 - b. 2 copies of Housing Authority audit - Director, Office of Public Housing, Pittsburgh Field Office, William S. Moorhead Federal Bldg., and 1000 Liberty Avenue, Suite 1000, Pittsburgh, PA 15222.
 - c. 1 copy each of Housing and Redevelopment audit - Commonwealth of Pennsylvania/Office of the Budget, Comptroller Operations/Bureau of Audits, Wagner Building, 1931 North Seventh Street, Harrisburg, PA 17120.
 - d. 1 copy each of Housing and Redevelopment audit- Bureau of Housing and Development, Community Development Division, 506 Forum Building, Harrisburg, PA 17120.
 - e. The Housing Authority Audit and Audit Report must be submitted electronically to REAC.

PART III INFORMATION TO BE INCLUDED IN THE PROPOSAL

- A. Describe the experience in auditing programs, activities and functions funded by the Department of HUD. Indicate the number of years each person who will be assigned to the audit has worked in this area.
- B. State whether your audit organization is national, regional or local. State the local address of your firm.
- C. Affirm that your audit organization is properly licensed for public practice as a certified public accountant.
- D. Affirm that your organization meets the independence requirements of Standards for Audit of Government Organizations, Programs, Activities and Functions. Published by the U.S. G.A.O. or any subsequent amendments or superseding revisions.
- E. Affirm that you /and or members of your organization have not been suspended or debarred from performing government audits. Or other government activity.
- F. Provide a list of the local office's current and prior government audit clients and the year(s) of engagement.
- G. Indicate the number of people by level who will handle the audit.
- H. Include a copy of the Firm's most recent peer review letter.

AUDIT APPROACH

Describe your technical approach to the audit. Describe your understanding of the work to be performed and your Firm's ability to meet the time deadlines as written.

REFERENCE LIST REQUIREMENT

Client Reference: List the names, addresses and phone numbers of government audit client references.

OTHER INFORMATION

Include any other information. Which may be helpful to the Authority in evaluating your Firm's qualifications, including peer reviews within the past three years. Also describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

The selection of a firm to conduct the audit will be made based on qualifications, experience with Single Audits and price. Interested parties may contact Alcherrie Williams, Executive Director, or Kathleen Szarowicz. Comptroller, regarding questions about this proposal at (814) 887-5563.

PROPOSAL REVIEW

All proposals will be reviewed according to the "Competitive Proposal" process outlined in HUD Procurement Handbook 7460.8 and HUD Notice PIH 90-47.

All persons interested in submitting a proposal to conduct the annual audits for the fiscal years listed in this Request for Proposals should complete the attached standard HUD Form, Proposal and Contract between Public Housing Agency and Independent Public Accountant for Audit Services. This proposal is based on a lump-sum fee. A copy of the candidate's resume should be attached to the proposal listing all previous experience and qualifications.

APPENDIX I

POINT VALUES FOR EVALUATION CRITERIA

AUDIT RFP

| CRITERION | MAXIMUM POINTS |
|---|-----------------------|
| Experience in auditing similar entities | 30 |
| Organization size and structure: Firm's participation in AICPA-sponsored or comparable Quality control programs | 5 |
| Firm's understanding of the work to be performed | 5 |
| Firm's ability to complete work on time schedule described | 10 |
| Government auditing experience of persons assigned to the audit. | 20 |
| Specialized skills, training or background in public financing by assigned individuals | 10 |
| Fee Proposed | 20 |
| TOTAL | 100 |

**PROPOSAL AND CONTRACT BETWEEN
PUBLIC HOUSING AGENCY AND INDEPENDENT PUBLIC ACCOUNTANT FOR
AUDIT SERVICES**

THIS AGREEMENT, entered into this _____ day of _____, 20____, by and between McKean County Housing Authority (here in after referred to as the HA) and

(Name of Accountant and Accounting Firm)

Independent Public Accountant(s) located at _____ with
(Address of Main Offices, Including State)

Offices at _____
(Here in after referred to as the Contractor), WITNESSETH:

WHEREAS, the HA has entered into a contract with the United States of America acting through the Department of Housing and Urban Development, hereinafter referred to as the Government, for the financial assistance for Low-Income Housing pursuant to the United States Housing Act of 1937, as amended, forty two (42) United States Code Section 1437 et. seq.; and

WHEREAS, pursuant to said contract, the Government and the Comptroller General of the United States, or his duly authorized representatives, have the right to audit the books and records of the HA pertinent to its operations with respect to such financial assistance; and

WHEREAS, the Government has authorized the HA to procure such an audit by an Independent Public Accountant in lieu of audit by the Government; and

WHEREAS, the HA desires the Contractor to conduct and perform such an audit:

NOW, therefore, the HA and the Contractor mutually agree as follows:

1. The Contractor shall audit the accounts and records for the 12 month periods ending September 30, 2020-2022, with option to include the annual audits for the fiscal years 2023 and 2024 in accordance with generally accepted government auditing standards and the auditing and reporting provisions of the applicable HUD Audit Guide for Low-Income Housing Program for use by Certified Independent Public Accountants, herein referred to as the Audit Guide and OMB Circular A-133. The audit performed shall be sufficient in scope to enable the Contractor to express an opinion in the audit report on the financial statements of the HA in accordance with generally accepted accounting principles. The Contractor shall also include an Agreed-Upon Procedures Attestation applied to the Financial Data Schedule as required by HUD's Real Estate Assessment Center (REAC).
2. The books of account and financial records to be audited are maintained at the Authority office, 415 West Main Street, Smethport, Pennsylvania. These books and records will be available to the Contractor by the Comptroller of the HA at the Contractor's request for the Contractor's use during normal business hours (8:00 a.m. - 4:00 p.m.), at the Authority's office.

3. If the Contractor ascertains that the books and records are not in a sufficiently satisfactory condition for performing an audit, the Contractor shall disclose this deficiency to the HA. If the HA cannot prepare its books for audit within 15 days, then the IPA shall notify the Government. Notification to the Government shall be by written communication addressed to the Director, Office of Public Housing, Pittsburgh Area Office, 1000 Liberty Avenue, 10th Floor, Pittsburgh, PA 15222. The Contractor shall await further instructions from the Director before continuing the audit.
4. The Audit for FY 2020 shall be completed by January 31, 2021; the audit for FY 2021 shall be completed by January 31, 2022; and the audit for FY 2022 shall be completed by January 31, 2023.
5. Upon completion of the audit, an Audit Report consisting of those elements described in the Audit Guide shall be simultaneously submitted to the following offices:
 - a. 10 copies - PHA.
 - b. 2 copies - Director, Office of Public Housing, Pittsburgh Area Office, 1000 Liberty Avenue, Suite 1000, Pittsburgh, PA 15222.
 - c. 1 copy - Commonwealth of Pennsylvania/Office of the Budget, Comptroller Operations/Bureau of Audits, Wagner Building, 1931 North Seventh Street, Harrisburg, PA 17120.
 - d. 1 copy - Bureau of Housing and Development, Community Development Division, 506 Forum Building, Harrisburg, PA 17120.
 - e. **Electronic submission of the Audit and Audit Report to REAC by June, 30.**
6. The HA may, before or during the conduct of the audit, request changes in the scope of the services to be performed under this contract. Such changes, including any increase or decrease in the amount of the Contractor's compensation and any change in the time limitation for submission of the Contractor's report, which are mutually agreed upon by and between the HA and the Contractor, shall be incorporated into written amendments to this contract and shall be subject to the Government's approval.

7. The HA agrees to pay to the contractor as compensation for the services and report mentioned herein, including, but not limited to the agreed upon procedure attestation applied to the Financial Data Schedule, a lump sum fee \$ _____ *for fiscal year 2020, inclusive of all costs and expenses. The fee is based on the following:

- a. Partner (Principal): \$ _____ per hour; estimated man-days _____
- b. Senior Manager: \$ _____ per hour; estimated man-days _____
- c. Junior: \$ _____ per hour; estimated man-days _____
- d. Other out of pocket expenses: \$ _____

Total: \$ _____

It is estimated that _____ man-days will be required to perform the audit.

The contractor shall invoice each entity for their respective portion of the audit fee.

- Such lump-sum fees shall be payable after submission of the Audit Report to the HA and after submission of copies of the report as provided in paragraph 5 above

8. The HA agrees to pay to the contractor as compensation for the services and report mentioned herein, including, but not limited to the agreed upon procedure attestation applied to the Financial Data Schedule, a lump sum fee \$ _____ *for fiscal year 2021, inclusive of all costs and expenses. The fee is based on the following:

- a. Partner (Principal): \$ _____ per hour; estimated man-days _____
- b. Senior Manager: \$ _____ per hour; estimated man-days _____
- c. Junior: \$ _____ per hour; estimated man-days _____
- d. Other out of pocket expenses: \$ _____

Total: \$ _____

It is estimated that _____ man-days will be required to perform the audit.

The contractor shall invoice each entity for their respective portion of the audit fee.

- Such lump-sum fees shall be payable after submission of the Audit Report to the HA and after submission of copies of the report as provided in paragraph 5 above.

9. The HA agrees to pay to the contractor as compensation for the services and report mentioned herein, including, but not limited to the agreed upon procedure attestation applied to the Financial Data Schedule, a lump sum fee \$ _____ *for fiscal year 2022, inclusive of all costs and expenses. The fee is based on the following:

- a. Partner (Principal): \$ _____ per hour; estimated man-days _____
- b. Senior Manager: \$ _____ per hour; estimated man-days _____
- c. Junior: \$ _____ per hour; estimated man-days _____
- d. Other out of pocket expenses: \$ _____

Total: \$ _____

It is estimated that _____ man-days will be required to perform the audit.

The contractor shall invoice each entity for their respective portion of the audit fee.

- Such lump-sum fees shall be payable after submission of the Audit Report to the HA and after submission of copies of the report as provided in paragraph 5 above.

10. The HA agrees to pay to the contractor as compensation for the services and report mentioned herein, including, but not limited to the agreed upon procedure attestation applied to the Financial Data Schedule, a lump sum fee \$ _____ *for fiscal year 2023, inclusive of all costs and expenses. The fee is based on the following:

- a. Partner (Principal): \$ _____ per hour; estimated man-days _____
- b. Senior Manager: \$ _____ per hour; estimated man-days _____
- c. Junior: \$ _____ per hour; estimated man-days _____
- d. Other out of pocket expenses: \$ _____

Total: \$ _____

It is estimated that _____ man-days will be required to perform the audit.

The contractor shall invoice each entity for their respective portion of the audit fee.

- Such lump-sum fees shall be payable after submission of the Audit Report to the HA and after submission of copies of the report as provided in paragraph 5 above.

11. The HA agrees to pay to the contractor as compensation for the services and report mentioned herein, including, but not limited to the agreed upon procedure attestation applied to the Financial Data Schedule, a lump sum fee \$ _____ *for fiscal year 2024, inclusive of all costs and expenses. The fee is based on the following:

- a. Partner (Principal): \$ _____ per hour; estimated man-days _____
- b. Senior Manager: \$ _____ per hour; estimated man-days _____
- c. Junior: \$ _____ per hour; estimated man-days _____
- d. Other out of pocket expenses: \$ _____

Total: \$ _____

It is estimated that _____ man-days will be required to perform the audit.

The contractor shall invoice each entity for their respective portion of the audit fee.

- Such lump-sum fees shall be payable after submission of the Audit Report to the HA and after submission of copies of the report as provided in paragraph 5 above.

12. The Contractor certifies that its principal officer (s) or member (s) do not now have and have not during any period covered by this audit any interest, direct or indirect, in the HA or any of its members or officials including the following:

- a. Family relationship with any HA member or official:
- b. Employment by, or service as, a member or official of the HA during the period covered by the audit.

13. The Contractor certifies that it has not provided accounting or bookkeeping services for the HA during the period covered by the audit except as follows:

14. No member, or officer or employee of the HA, no member of the governing body of the locality in which any of the HA's projects are situated, no member of the governing body of the locality in which the HA activated, and no other public official of such locality or localities who exercises any responsibilities or functions with respect to the HA's projects, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

15. No member of or Delegate to Congress of the United States or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise there from.

16. The Contractor warrants that he/she has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee.

17. The Contractor shall not assign or transfer any interest in this contract except that claims for monies due, or to become due, from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining members of such partnership.

18. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin or disability. The Contractor shall take affirmative action to ensure that applicants are employed, and employees are treated during employment with regard to race, color, religion, sex, age, or national origin or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, *layoff* or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

19. For a period of four (4) years from the date of the Audit Report, the Contractor shall make its work papers, records, and other evidence of audit available to the government and to the Comptroller General of the United States or his duly authorized representatives during normal working hours upon written request of the government or of the comptroller General or of his representatives. The period will be reduced to three (3) years for those HAs for which all projects have had Actual Development cost certificates issued. The Government and the Comptroller General shall be entitled to reproduce any or all of such documents at their expense for which provision shall be made at the time the need for reproduction arise.
20. Except for disclosure to the Government, the Comptroller General and the HA, the Audit Report and the work papers, records, and other evidence of audit, including information and data prepared or assembled by the Contractor and shall not be made available or otherwise disclosed to any person without the prior written approval of the Government.
21. Termination of Contract for Cause. If, through any cause, the Contractor shall fail to fulfill in timely and proper manner his obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the Local Public Agency shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, and reports prepared by the Contractor under this Contract shall, at the option of the Local Public Agency, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents.

Notwithstanding the above, the Contractor shall not be relieved of liability to the Local Public Agency for damages sustained by the Local Public Agency by virtue of any breach of the Contract by the Contractor, and the Local Public Agency may withhold any payments to the Contractor for the purpose of setoff until such time as the exact amount of damages due the Local Public Agency from the Contractor determined.

22. Termination for Convenience of Local Public Agency. The Public Agency may terminate this Contract any time by a notice in writing from the Local Public Agency to the Contractor. If the Contract is terminated by the Local Public Agency as provided herein, the Contractor will be paid an amount which bears the same ratio to the total compensation services actually performed bear to the total services of the Contractor covered by this Contract, less payments of compensation previously made. Provided, however, that if less than sixty percent of the services covered by this contract have been performed upon the effective date of such termination, the Contractor shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under this Contract) incurred by the Contractor during the Contract period which are directly attributable to the uncompleted portion of the services covered by this Contract. If this Contract is terminated due to the fault of the Contractor, Paragraph 19 hereof relative to termination shall apply.

IN WITNESS WHEREOF, the HA and the Contractor have executed this Agreement the day and year first above written.

(Name of Independent Public Accountant)

(Housing Authority of the County of
McKean)

(Name)

(Date)

(Name)

(Date)

