

REQUEST FOR PROPOSAL (RFP) FOR AUDIT SERVICES
January 16, 2020

I. Purpose

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent Certified Public Accountants (CPAs), who are licensed by the Kentucky State Board of Public Accountancy to perform a financial and compliance audit, Form 990, and 5500 tax return of the Blue Grass Community Action Partnership (BGCAP) for its fiscal year July 1, 2019 – June 30, 2020.

Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the 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.

II. Description of Entity

BGCAP is a 501(c)(3) private, nonprofit corporation, incorporated with the State of Kentucky in 1965. BGCAP is a multi-funded community action agency which provides social services to a nine-county area of Central Kentucky. Originally formed under regulations of the Economic Opportunity Act of 1964, the agency now operates in accordance with provisions of Kentucky state law regarding the establishment of community action agencies. The agency is funded through a variety of federal, state, and local sources, with the Department of Health and Human Services being the cognizant funding agency.

Current staffing level includes approximately two hundred full-time employees and eighty-six part-time employees

BGCAP's administrative office and records are located at 111 Professional Court, Frankfort, KY 40601.

III. Financial Status and Operations

BGCAP receives funding from donations, federal/state grants and various other sources including local governments and United Way. In 2019, BGCAP's income was approximately \$19,744,494 and the expenditures were disbursed through two main bank checking accounts: (1) the "unified account" is used to disburse all general

expenses of the agency; and (2) the “payroll account” is used to disburse payroll checks/direct deposits.

On a monthly basis, an average of 556 checks is disbursed from the unified account and 610 checks/direct deposits are disbursed from the payroll account. Checks from the unified account are disbursed on a daily or as needed basis; checks from the payroll account are disbursed on a weekly basis.

Below is a list of contract funding administered by BGCAP during July 1, 2018 – June 30, 2019:

Funding Agency	Program	Contract Period	Contract Amount
BGADD	AGING	07/01/12 - 06/30/13	2,341,188
FEMA	COMM DEV	07/01/12 - 06/30/13	10,457
USDA	DAYCARE/HEADSTART	07/01/12 – 06/30/13	314,284
TRANSPORTATION	BUS	07/01/12 - 06/30/13	8,303,582
STATE OF KY	CSBG	07/01/12 – 06/30/13	416,493
CAK	LIHEAP	07/01/12 – 06/30/13	1,708,188
HHS	HEADSTART	08/01/12 – 07/31/13	2,691,352
CNS	SENIOR COMPANION	01/01/12 – 12/31/13	251,906
KHC	WEATHERIZATION	07/01/12 – 06/30/13	394,348
Fees, Donations, & Other	Various	07/01/12 – 06/30/13	3,312,695

BGADD = Bluegrass Area Development District

AGING = Aging Programs (Title III, Homecare, Adult Day, USDA, Title V)

USDA = US Dept of Agriculture

KHC = Kentucky Housing Corporation

CSBG = Community Services Block Grant

CAK = Community Action Kentucky

LIHEAP= Low Income Heating and Energy Assistance Program

HHS = US Health and Human Services

CNS = Corporation for National Service

IV. Scope of Work

The selected CPA Firm shall determine whether:

- The financial statements of BGCAP fairly present its financial position and the results of its financial operations are in accordance with generally accepted accounting principles;
- BGCAP has internal accounting and other control systems to provide reasonable assurance that it is managing federal financial assistance programs in compliance with applicable laws and regulations; and
- The organization has complied with laws and regulations that may have material effect on its financial statements and on each major federal award program.

An exit conference with BGCAP representatives and the selected CPA Firm's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized and discussed with BGCAP representatives. It should include internal control and program compliance observations and recommendations.

A separate audit report is required for our aging programs receiving funding from the Bluegrass Area Development District (BGADD). The final report is due by October 10, 2016. BGCAP will require ten (25) bound and one (1) unbound copies of the final aging audit report.

BGCAP will require fifty (50) bound and one (1) unbound copies of the final comprehensive audit report. The final comprehensive audit is due by the second Monday of December, 2020.

V. Anticipated Timeline

The following set dates are firm and shall not be waived unless specified in writing by the Executive Director, Troy Roberts:

Deadline	Activity
January 31, 2020	Proposals must be received at the BGCAP office no later than 4:00 p.m.
February 7, 2020	Announcement of selected CPA Firm
June 30, 2020	Start date of fieldwork by selected CPA Firm
October 1, 2020	Final aging audit is submitted to BGCAP
December 1, 2020	Final comprehensive audit is submitted to BGCAP

The audit report may be submitted earlier than the above schedule. However, if the selected CPA Firm fails to make delivery of the audit report within the time schedule

specified herein, or if the selected CPA Firm delivers the audit report which does not conform to all of the provisions of the contract, BGCAP may, by written notice of default to the selected CPA Firm, terminate the whole or any part of the contract. Under certain extenuating circumstances BGCAP may extend this schedule upon written request of the selected CPA Firm with sufficient justification

VI. Proposal Instructions

Two (2) copies of the proposal must be submitted no later than 4:00 p.m. on Friday, January 31, 2020.

Proposals should be addressed as follows:

Troy Roberts, Executive Director
Blue Grass Community Action Partnership
111 Professional Court
Frankfort, KY 40601

Proposals must be submitted in a sealed envelope, clearly marked in the lower left-hand corner with the following information:

SEALED PROPOSAL
For Audit Services
1-31-20

Proposals submitted via fax or email will NOT be considered.

It is the responsibility of the CPA Firm to ensure that the proposal is received by BGCAP by the date and the time specified in this RFP.

Late proposals will not be considered.

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the CPA Firm and will not be reimbursed by BGCAP.

At a minimum, proposals must include:

- Description of the services to be provided, including the approaches and methods to be used, audit procedures, estimated hours, and other pertinent information. The CPA Firm should include the type of assistance that will be required from BGCAP staff as well as the anticipated hours of assistance;
- Description of prior auditing experience, including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories: (a) prior experience auditing programs

funded by the federal government; (b) prior experience auditing similar programs funded by the federal government; and (c) prior experience auditing non-profit organizations;

- Description of the CPA Firm’s organization, size and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. The CPA Firm should include a copy of the most recent Peer Review, if it has had a Peer Review;
- Description of the qualifications of principal staff to be assigned to the audit, including (a) audit team makeup; (b) overall supervision to be exercised; and (c) prior experience of the individual audit team members, such as education, position in firm, years and types of experience, continuing professional education, etc.;
- Statement of the availability of auditors necessary to conduct the audit and proposed schedule;
- Statement of price for producing the audit report, including how the price was determined, estimated number of hours by staff level, hourly rates by staff level and total cost. Any out of pocket or travel expenses should also be indicated; and
- Completed and signed “Certifications” form, attached to this RFP. (The publications listed in the “Certifications” form will not be provided to potential CPA Firms by BGCAP, because BGCAP desires to contract only with a CPA Firm who is already familiar with these publications.)

VII. Evaluation and Review of Proposals

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

Factors	Point Range
Prior experience auditing similar nonprofit entities.	0-25
Adequate size of the CPA Firm.	0-5
Minority / small business.	0-5
Audit team qualifications.	0-10
Overall supervision to be exercised.	0-5
Prior experience of audit team.	0-10
Presentation of work to be performed.	0-10
Realistic time estimates of each audit step.	0-5
Price	0-25
Maximum Points	100

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

However, BGCAP 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 CPA Firm can propose.

BGCAP anticipates awarding the contract to the CPA Firm with the highest total points.

Efforts will be made by BGCAP to utilize small businesses and minority-owned businesses. A CPA Firm qualifies as a small business firm, if it meets the definition of "small business" as established by the Small Business Administration.

VIII. Non-responsive Proposals

Proposals may be judged non-responsive and removed from further consideration if any of the following occur:

The proposal is not received timely in accordance with the terms of this RFP;

The proposal does not follow the specified format;

The proposal is submitted by fax or email;

The proposal does not include the "Certifications" form; or

The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Auditing Standards* of the U.S. Comptroller General.

IX. Right To Reject

BGCAP 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.

X. Notification of Award

Upon conclusion of final negotiations with the successful audit firm, all CPA Firms submitting proposals in response to this RFP will be informed, in writing, of the name of the successful audit firm. It is expected that the contract shall be a one-year contract with options for two additional one-year periods.

XI. Terms of Engagement

This RFP is to contract for a financial and compliance audit for the period of July 1, 2019 – June 30, 2020. The contract shall be a one-year contract with options for two additional years. BGCAP and the selected CPA Firm will agree upon the cost of the option periods.

Upon request, the selected CPA Firm will provide a copy of all work papers pertaining to the audit, including questioned costs. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

The work papers will be retained for at least three years from the end of the audit period.

The work papers will be available for examination by authorized representatives of federal, state, and private funding entities, the State Auditor's office, and BGCAP.

XII. Remuneration of Audit Services

Payment will be made within 20 days of receipt of an invoice and when BGCAP has determined that the total work effort has been satisfactorily completed and the fifty (50) copies of the final comprehensive audit report have been delivered to and accepted by BGCAP. Should BGCAP reject a report, BGCAP's Executive Director will notify the selected CPA Firm in writing of such rejection giving the reason(s) for the rejection. The right to reject a report shall extend throughout the term of the contract and for ninety (90) days thereafter.

XIII. Questions

Inquiries concerning this RFP should be directed to Ryan Moore at ryan.moore@bgcap.org.

Attachments

Certifications Form

CERTIFICATIONS

On behalf of the CPA Firm:

The individual signing certifies that he/she is authorized to contract on behalf of the CPA Firm.

The individual signing certifies that the CPA Firm 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 CPA Firm.

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.

The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the CPA Firm from submitting a proposal.

The individual signing certifies that there has been no attempt by the CPA Firm to discourage any potential CPA Firm from submitting a proposal.

The individual signing certifies that at least one of the audit team members of the CPA Firm is a Certified Public Accountant licensed by the Kentucky State Board of Public Accountancy.

The individual signing certifies that the CPA Firm meets all of the general standards concerning qualifications, independence, due professional care and quality control as required by *Government Auditing Standards*, including the requirements for continuing professional education and external peer reviews. (Please include copy of most recent review.)

The individual signing certifies that he/she has read and understands the following publications relative to the proposed audit:

- *Government Auditing Standards*, issued by the Comptroller General of the United States;
- OMB Circular A-133;
- OMB Circular A-133 Compliance Supplement;
- AICPA's Audit Guides for State & Local Governmental Units or Non-for-Profit Organizations; and
- AICPA's Audit Risk Alerts "Not-for-Profit Organizations Industry Developments;"

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.

The individual signing certifies that the CPA Firm, 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 CPA Firm or any individual to be assigned to the audit has been found in violation of any state of AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 2020.

CPA Firm's Name

Signature of CPA Firm's Representative

Printed Name and Title of Individual Signing

AUDIT RFP EVALUATION

Name of Audit Firm: _____

Date: _____

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

Factors	Point Range	Points Awarded
Prior experience auditing similar nonprofit entities.	0-25	
Adequate size of the CPA Firm.	0-5	
Minority / small business.	0-5	
Audit team qualifications.	0-10	
Overall supervision to be exercised.	0-5	
Prior experience of audit team.	0-10	
Presentation of work to be performed.	0-10	
Realistic time estimates of each audit step.	0-5	
Price	0-25	
Maximum Points	100	

Evaluation conducted by: _____

Date: _____

Public Notice to run in the *Austin American-Statesman*, fax # 445-4503.

Obtain quote before approving the ad. Ask for nonprofit rate.

Text of Public Notice:

REQUEST FOR BID

Blue Grass Community Action Partnership (BGCAP), a private, nonprofit 501(c)(3) organization in Frankfort, Kentucky is accepting proposals for a financial and compliance audit of it's 2020 fiscal year. The audit must be conducted by a Certified Public Accountant who is licensed by the Kentucky State Board of Public Accountancy.

Proposals will be accepted at BGCAP through 4 p.m., January 31, 2020. For a copy of the bid package, visit the web site at www.bluegrasscommunityaction.org, or contact BGCAP at (502) 695-4290, ext. 231.

Internal notes:

- Obtain quote before approving the ad.
- Ask for nonprofit rate.
- Public notice must be posted three (3) days and the RFP is open for 14 days, which can begin on the 1st day of the 3-day public notice or after the notice.