Request for Proposal (RFP) for Annual Audit for
Greater Gadsden Housing Authority (HA)

Date: June 2, 2021

The periods covered will be from **July 1, 2020 to June 30, 2021; July 1, 2021 to June 30, 2022;** and **July 1, 2022 to June 30, 2023**

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NOTE: HA staff will prepare the Management's Discussion and Analysis (MD&A) as required by the Governmental Accounting Standards Board Statement #34 issued for Local Government Agencies. The MD&A must be reviewed by the Auditor and incorporated into the audit.

Section A: <u>Advertisement, Audit Requirements</u>

1. **<u>Advertisement</u>:** The HA hereby requests proposals from qualified Certified Public Accounting firms to conduct three annual audits for the HA.

2. **<u>Audit Requirements</u>:** In September 1988, the U. S. Department of Housing and Urban Development (HUD) published revised Uniform Financial Reporting Standards (UFRS) for federal housing programs. The rule requires Public Housing Agencies to submit their unaudited and audited financial information to HUD electronically. The rule also requires that the entity's financial statements be prepared in accordance with generally accepted accounting principals (GAAP). Also, in accordance with OMB Circular A-133 or Single Audit, HUD requires the submission of PHA audited financial information no later than 9 months after the PHA Fiscal Year End. The Audit must be submitted to the Single Audit Clearinghouse and to the Birmingham HUD Office of Public Housing. The audit must include the following:

    - Financial Statements (including all applicable footnotes)
    - Footnotes on the Summary of Significant Accounting Policies and Federal Non-Cash Assistance
    - Auditor's opinion on the financial statements and required supplementary schedules, (i.e. Schedule of Expenditure of Federal Awards, Financial Data Schedule, et al).
    - Report on Compliance and on Internal Control over Financial Reporting based on an audit of financial statements performed in accordance with Generally Accepted Auditing Standards (GAAS).
    - Report on Compliance with the requirements applicable to public housing and Section 8 and internal control over compliance in accordance with OMB Circular A-133.
    - Schedule of Expenditures for public housing and Section 8.
    - Schedule of Findings and Questioned Costs (includes summary of auditor's results and findings in the current and prior year audits):
      Note: This HA had no findings in the audit for the period ending June 30, 2020.

Section A-2. Audit Requirements: Continued

- Corrective Action Plan, if applicable
- Data Collection Form
- For Section 8 the audit must comply will all requirements of the Section 8 Management Assessment Program (SEMAP) as detailed in form HUD-52648 and the final rule published in the Federal Register on September 10, 1998 and the provisions of the Code of Federal Regulations, Title 24, Part 985 SEMAP.

3. Site-Based Waiting List Audit: The last Site-Based Waiting List Audit was completed for the period ending **June 30, 2018**; therefore, a Site-Based Waiting List Audit is required for the period ending **June 30, 2021.**

Section B. Proposal Submission Time and Place

One signed original and two copies of the proposal must be submitted to the Greater Gadsden Housing Authority, 422 Chestnut Street, Gadsden, Alabama 35901, and received no later than 2:00 P.M. (Central Time) on Monday, July 12, 2021. **The envelope must have the following notation on the bottom left hand corner of the proposal, "Proposal for Annual Audit Enclosed."** The proposals will be evaluated based on the **"Competitive Proposal"** criteria established in this document and points assigned as indicated in Section E below. Proposals received after this date and time will not be accepted. **Facsimile Copies will not be accepted!** However, you may email the proposal to hfarley@ggha.org with "Proposal for Annual Audit" in the subject line. **Please note that all proposals submitted in response to this RFP become the property of the GGHA.**

Section C. Programs Administered by the HA are as follows:

Name of Program	**Number of Units/Dollars**
*Low-Income Conventional Public Housing	974 units
Section 8 Vouchers	112 units
Total Units	1,086 units
Other Open programs are:	
**Capital Funds Program as follows:	
AL09P049501-19	$2,287,884
AL09P049501-20	$2,465,530
AL09P049501-21	$???

The GGHA also established a local Non-Profit: The non-profit organization is entitled, Landmark Ventures, Inc. The non-profit has total estimated revenue of $14,042 for FYE June 30, 2021 and an anticipated unrestricted net assets of $2,652,959 for June 30, 2021. The non-profit had a total revenue of $35,513 for FYE June 30, 2020 and an unrestricted net position of $2,482,113 for June 30, 2020. There are approximately 75 accounting transactions generated per year in this program.

Section C. **Programs Administered by the HA are as follows: Continued**

*Note: According to HUD guidelines, the GGHA's Low-Income Conventional Public Housing program has a Central Office Cost Center (COCC) with six Asset Management Projects (AMP's) for project-based accounting reporting purposes, using a fee for service approach.

**Note: The HA anticipates the Capital Fund Program CFP 501-19 will be closed and Actual Modernization Cost Certificate to be issued for close out audit by June 30, 2021. Also, the HA anticipates CFP 501-21 funding will be received and open by June 30, 2022.

Section D. **Detailed Proposal:**

1) Interested firms must submit a detailed proposal which includes a minimum of:

   a) Provide a written statement outlining the experience of the person that will be responsible for conducting and supervising the on-site audit of the HA records in accordance with the requirements contained in Section A -1, Audit Requirements as outlined above.
   b) The HA staff prepares the FDS for submission to Real Estate Assessment Center (REAC). Outline how you will review and consult with the HA staff concerning any adjustments that may be necessary prior to the HA's submission of the FDS.
   c) The HA staff will require some guidance and consultation prior to and during the audit to assure that all HUD guidelines are met and to assure that any unusual accounting entries are made by HA staff in accordance with all applicable accounting requirements. It is anticipated that this will not exceed ten hours for the contract period including any attestation services that may be required.
   d) The auditor shall be responsible for ensuring that the audited information is provided to the HA staff in the required format for the HA staff to update to the Real Estate Assessment Center (REAC) E-tool within thirty days of issuance of the audit report.
   e) The auditor will then review the updated audit report and then the HA staff will certify to the data and then the auditor shall be responsible for performing the IPA review. The HA staff will then perform the final certification and submission of the audited FDS.
   f) State the number of years experience the responsible auditor has in auditing HAs and provide a copy of responsible auditor's Certified Public Accountant certificate as well as a copy of the required license to conduct audits in the State of Alabama.
   g) Provide an estimate of the total staff hours required of HA staff that will be needed to assist the Firm in preparing for and conducting the Audit. Also, provide a copy of the checklist that will be used to request information and documentation from the HA.
   h) Provide the updated status of any disciplinary action taken against the IPA, if applicable.
   i) Statement of compliance with applicable requirements for peer review and professional continuing education.

Section D. Detailed Proposal: Continued

2) List of HA's the firm has conducted Annual Audits for during the past ten years**.** Limit the list to a total of twenty (20) HAs starting with the most current. Provide the total number of units of the HA, telephone number and contact person for each HA.

3) Indicate the maximum length of time it will take the firm to conduct the audit and issue the Audit Report once the HA informs the firm that its books are available for audit. **Note: This must be stated in months, for example 4 months from August 31st, which is the end of December.** The HAs fiscal year ends on June 30th and the books should be available for audit after August 31st of each year. Also, the HA must be provided an electronic copy and five (5) printed copies of the audit.

4) Complete the following chart for the number of audits completed and submitted to REAC within the quarters specified below:

Quarter	In Review	1st Rejected	Accepted	Total
09/30/2017				
12/31/2017				
03/31/2018				
06/30/2018				
09/30/2018				
12/31/2018				
03/31/2019				
06/30/2019				
09/30/2019				
12/31/2019				
03/31/2020				
06/30/2020				
09/30/2020				
Totals				
% of Totals	%	%	%	100%

Also, if you have a rejection listed, you may include with the list above whether the rejection was avoidable and also whether due to the PHA or the Auditor.

5) **Price:** The firm must quote a price for conducting the audit as outlined in the RFP to produce the final product, including any consultation, attestation and technical assistance services that may be required. **NOTE:** The HA will not pay for **any additional invoices** that exceed the totals listed below unless there is a change in the scope of the work and the additional work and the price for performing the additional work is agreed to **in advance in writing**. This language must be in the proposed contract with the HA.

Section D. **Detailed Proposal: Continued**

The HA will reject any contract that specifies something other than a firm fixed price (see 5 below). All firms that plan on submitting a proposal is welcome and encouraged to visit the HA prior to submitting a proposal to review the records and interview the Executive Director and/or Accounting staff to help the firm determine what price they will submit for conducting the audit as outlined in this RFP.

The firm fixed price is as follows:

Fiscal Year End	COCC	Public Housing	CFP's	Section 8	Non-Profit	Total
6/30/2021	$	$	$	$	$	$
6/30/2022	$	$	$	$	$	$
6/30/2023	$	$	$	$	$	$
						$

6) **Copy of proposed contract**: A copy of the contract must be provided with the submission and the contract must comply with the firm fixed price specification listed in 5 above. The firm that is selected to provide auditing services for the HA will execute a contract, which is acceptable to the HA and the firm. Since the contract is a multi-year contract, a cancellation clause must be included in the contract.

Section E. **Evaluation Factors**:

The HA will use the following criteria to evaluate the proposals:

1. Evidence of the Firm's ability to perform Annual Audits for HAs that comply with applicable federal and HUD regulations for auditing HA's. The HA will evaluate the information provided in Section D-1 & D-2 above.

   MAXIMUM POINTS ASSIGNED 25

2. Time required to conduct the audit and issue the final audit report. The HA will evaluate this factor by evaluating the information provided in Section D-3 above. Based on past audits of this HA, an audit can be efficiently and effectively conducted and final audit issued within four months from the date the HA informs the firm that the books are available for audit.

   MAXIMUM POINTS ASSIGNED 10

Section E. **Evaluation Factors: Continued**

3. REAC audit submission rate of Audit Firm. The HA will utilize information provided in Section D-4 to assign points to this factor.

MAXIMUM POINTS ASSIGNED 15

4. Firm Fixed Price & Copy of proposed contract. The HA will utilize information provided in Section D-5 to assign points to this factor. Also, points may be deducted in accordance with D-6.

MAXIMUM POINTS ASSIGNED 20

NOTE: Points are deducted for Audit Firm not following specific instructions in the RFP and for providing incomplete and/or conflicting information in the RFP.

Attachment 1:
Audit Competitive Proposal Evaluation Factors

Name of Firm_____

Factors/Remarks				
Factor #1 Ability to Perform Work D-1 & D-2	**No. Years Experience as Lead Auditor**	**Lead Auditor has CPA**	**No. of PHA Audits Completed**	**Total Possible**
Maximum Number of Points - Lead Person on audit	**12** **See range below-circle**	**Yes = 8pts** **or** **No = 0pts**	**5** **See range below-circle**	**25**
Range # 1	1-3 yrs= 4 pts		1–5 audits = 2pts	
Range # 2	4-6 yrs= 7 pts		6–10 audits= 3pts	
Range # 3	7-9 yrs= 9 pts		11-15 audits= 4pts	
Range # 4	10+yrs= 12pts		16+ audits= 5 pts	
Factor #2 Time Required to Complete the Audit D-3	**By the End of November = 10 Points**	**By the End of December = 7 Points**	**By the End of February = 5 Points**	**Other = 0 pts**
Factor #3 Audits submitted to REAC D-4 Note – Points will be pro-rated based on minimum of 50 audits – see below:	**Acceptance rate 85 to 100%**	**Acceptance rate 80 to 84%**	**Acceptance rate 75 to 79%**	**Other**
50 audits = 100% of rated pts 40 to 49 = 80 % of rated pts 30 to 39 = 60% of rated pts 29 & less = 40% of rated pts	15 points (15 x 80%) (15 x 60%) (15 x 40%)	10 points (10 x 80%) (10 x 60%) (10 x 40%)	5 points (5 x 80%) (5 x 60%) (5 x 40%)	0 pts.

Audit Competitive Proposal Evaluation Factors Continued:

Factor #4 Audit Price combined for all years D-5 & D-6			
Name of Firm	**Price**	**Point Calculation**	**Points**
	Lowest price	20 points	
	Second Lowest Price	Subtract 1 point for every $1,000 difference & ½ point < $1,000	
	Third Lowest Price	Subtract from second lowest price 1 point for every $1,000 difference & ½ point < $1,000	
	Fourth and continued - Lowest Price	Subtract from third lowest price (continue) 1 point for every $1,000 difference & ½ point < $1,000	

Summary of Points:

Factor No. 1 _____

Factor No. 2 _____

Factor No. 3 _____

Factor No. 4 _____

*Deducts _____

Total Points _____

*NOTE: Points are deducted for Audit Firm not following specific instructions in the RFP and for providing incomplete and/or conflicting information in the RFP.