

**SOUTHERN ALLEGHENIES PLANNING & DEVELOPMENT COMMISSION
(SAP&DC)**

REQUEST FOR PROPOSALS

**FOR
Audit and Tax Services**

**For The Year Ending
June 30, 2015**

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

**Deborah Shaffer
Southern Alleghenies Planning & Development Commission (SAP&DC)
3 Sheraton Drive
Altoona, PA 16601
Telephone Number: 814-949-6513
E-mail Address: dshaffer@sapdc.org**

**Southern Alleghenies Planning & Development Commission (SAP&DC) is an Equal
Opportunity/Affirmative Action employer.**

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I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to obtain proposals for audit and tax services for the Southern Alleghenies Planning and Development Commission (SAP&DC) for the year ending June 30, 2015, with the option for SAP&DC to renew for two (2) subsequent years. It is SAP&DC's responsibility, and not that of the auditor to prepare all required components of the financial statements to be audited. The audit is to be conducted in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The auditor will express an opinion on the fair presentation of our financial statements in conformity with Generally Accepted Accounting Principles.

The financial and compliance audit will involve all of the SAP&DC's funds and accounts and preparation of SAP&DC's annual form 990.

B. Who May Respond

Only Certified Public Accountants licensed in the Commonwealth of Pennsylvania may respond.

C. Description of Entity

SAP&DC, a public nonprofit corporation that serves six counties in South-Central Pennsylvania and has been determined to be exempt from Federal income tax under Section 501(c) (4) of the Internal Revenue Code. It is governed by a 19-member volunteer Board of Directors. Administrative offices and all records are located at 3 Sheraton Drive, Altoona, PA 16601.

SAP&DC has annual budget of approximately \$7 million. Accounting records are maintained on an automated system utilizing Tyler Technologies Munis applications. SAP&DC currently receives federal funding from the Department of Labor (WIA), Department of Health and Human Services (EARN), Appalachian Regional Commission, Economic Development Administration, and U.S. Departments of Transportation, Agriculture, Commerce, and Defense.

D. Proposal Information

1. Closing Submission Date

Proposals must be submitted no later than 4:00 PM EST on October 31, 2014.

2. Submission Instructions

Proposals must be submitted in hardcopy (5 copies) to the following:

Deborah Shaffer
Southern Alleghenies Planning & Development Commission
3 Sheraton Drive
Altoona, PA 16601

It is the responsibility of the Proposer to ensure that the proposal is received by SAP&DC by the date and time specified above. Late proposals will not be considered.

3. Inquiries

Inquiries concerning this RFP should be addressed to Deborah Shaffer. An appointment and on-site inspection may be scheduled by each Proposer interested in submitting a proposal. Prior years' audit reports and management letters will be available for review. Each potential Proposer is cautioned that an on-site inspection is only intended to afford the Proposer an opportunity to better understand the required level of service so the Proposer may fully prepare a complete proposal. The on-site inspection is not intended to afford a potential Proposer the opportunity to discuss its specific audit approach and/or its qualifications and costs. Inquiries and on-site inspections will not be accepted after October 20, 2014.

4. Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Proposer and will not be reimbursed by SAP&DC.

Non-conforming proposals will be considered non-responsive and will be returned without review.

SAP&DC reserves the right to request additional information for clarification from proposers.

SAP&DC reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between SAP&DC and the firm selected.

All Proposers submitting proposals in response to this RFP agree that by submitting their proposal they acknowledge and agree that their proposal, in its entirety, once submitted shall become public information and further agree that SAP&DC may release their proposal after an award has been made to other Proposers, the news media or any other individual requesting a copy of the proposal and further release SAP&DC from all claims relating to the release by SAP&DC of their proposal.

- 5. Right to Reject**
SAP&DC reserves the right to reject any and all proposals. A contract for the accepted proposal will be based upon the factors described in this RFP.
- 6. Small and/or Minority-Owned Businesses**
Efforts will be made by SAP&DC to utilize small businesses and minority-owned businesses. A Proposer 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), by having average annual receipts for the last three fiscal years of less than six million dollars.
- 7. Notification of Award**
It is expected that a decision selecting the successful Proposer will be made on January 21, 2015. All Proposers submitting proposals in response to this RFP will be informed, in writing, of the name of the successful Proposer.

E. Contract Information

- 1. Type of Contact**
Fixed Price Contract
- 2. Period of Performance**
The period of performance for audit and tax services will be from July 1, 2014 through June 30, 2015
- 3. Payment**
Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the signed engagement letter. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld pending delivery of the final report.
- 4. Options**
At the discretion of SAP&DC, the contract can be terminated at any time or renewed for up to two (2) subsequent years. Due to Commonwealth of Pennsylvania proposed Regulations, the retention of auditors will not exceed three (3) consecutive years. The cost for the options periods will be agreed upon by SAP&DC and the Proposer.
- 5. Confidentiality**
The Proposer agrees to keep the information related to all contracts in confidence.

II. PROPOSAL GUIDELINES

A. **Proposal Format**

Proposals should not exceed ten (10) pages in length and should be typed on 8.5 X 11 inch pages with margins no smaller than one (1) inch. Font size should be no smaller than ten (10) point.

B. **Technical Proposal**

1. **General Requirements**

The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements. As such, the substance of proposals will carry more weight than their form or manner of presentation.

While additional data may be presented, the following subjects, items No. 2 through 8, must be included. The proposal should be prepared simply and economically, providing a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the RFP. They represent the criteria against which the proposal will be evaluated.

2. **Independence and License to Practice in Pennsylvania**

The firm should provide affirmative statements that it is independent of the SAP&DC as defined by Generally Accepted Auditing Standards/the U.S. General Accounting Office's Government Auditing Standards and that the firm and all assigned key professional staff are properly licensed to practice in Pennsylvania.

3. **Firm Qualifications and Experience**

The proposal should state the size of the firm, the size of the firm's government audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time and part-time basis.

The firm shall provide information on the results of the most recent peer review and the results of any Federal or Commonwealth reviews of its audits during the past five (5) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations.

4. **Partner, Supervisory and Staff Qualifications and Experience**

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a

certified public accountant in Pennsylvania. The firm also should provide their Pennsylvania license number, information on government auditing experience, including information on relevant continuing professional education for the past five (5) years and membership in professional organizations relevant to the performance of the audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisor staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of SAP&DC. However, in either case, the SAP&DC retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the Proposer provided that replacements have substantially the same or better qualifications or experience.

5. Similar Engagements with Other Government and Non-Profit Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of ten) performed in the last five (5) years that are similar to the engagement described in the RFP. Indicate the scope of work, date, engagement partners, total hours and the name and contact information of the principal client contact.

6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section A of this RFP.

Firms are required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to proposed segment of the engagement
- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding the SAP&DC's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.

7. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from SAP&DC.

8. Cost Proposal

The cost bid should contain all pricing information relative to performing the audit engagement and preparation of form 990 as described in this RFP. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. Also include a schedule of rates by Partner, Manager, Supervisor and Staff Level and anticipated hours for this engagement.

III. PROPOSAL EVALUATION

A. Administrative Review

Proposals submitted will be evaluated by the Executive Director of SAP&DC, a minimum of two (2) members of the SAP&DC Finance Committee, and a lead member of the accounting department.

B. Review of Proposals

The Administrative Review will consist of a point formula during the review process to score proposals by each of the criteria described below.

C. Evaluation

1. Scoring

The following is intended to give a brief description of the steps that will be used in the evaluation of the proposals. The evaluators will compare the relative merits of alternative audit approaches and will assess the hours required by staff level to complete the various segments of the audit as well as determine if the experience of assigned staff is adequate for the type of audit desired

Technical Criteria	Point Range
<i>1. Responsiveness of the proposal in clearly stating an understanding of the work to be performed (0-45)</i>	
a. Audit coverage, adequacy of sampling techniques, adequacy of analytical procedures	0 – 30
b. Realistic time estimates of each major segment of the work plan and the estimated number of hours for each staff level including consultants assigned	0 – 15
<i>2. Technical experience of the firm (0-40)</i>	
a. Auditing of the similar type federal programs under consideration	0 – 20
b. Auditing similar entities (size/budget)	0 - 15
c. Prior Experience with SAP&DC	0 - 5
<i>3. Qualifications of staff to be assigned to the audit, continuing education courses taken during the past two years, position in the firm, and years and types of experience will be considered. This will be determined from the resumes submitted (0-30)</i>	
a. Qualifications of the audit team	0 – 15
b. Supervision to be exercised over the audit team by the firms' management	0 – 10
c. Minority/Small Business	0- 5
<i>4. Size and structure of the firm</i>	0 – 10
TOTAL TECHNICAL POINTS	0 – 125
1. Cost of the Audit	0 - 25
TOTAL COST POINTS	0 – 25
MAXIMUM POINTS	0 - 150

In the event that oral interviews are necessary, additional points will be given on a scale of 0 – 25. While the total score will be a significant factor, the SAP&DC reserves the right to make a final selection

2. Oral Presentations

During the evaluation process, the Executive Director has the discretion to request the top three scoring firms to make oral presentations. Such presentations may provide firms with an opportunity to answer any questions on a firm's proposal.

3. Final Selection

The SAP&DC Board of Directors will select a firm based upon the recommendation of the review committee. It is anticipated that a firm will be selected by January 21, 2015.

IV. ADMINISTRATIVE ASSURANCES

The purpose of distinguishing the following assurances is to highlight specific requirements and does not limit Proposer's responsibilities in any way.

The Proposer assures that:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the proposer.
- B. The individual signing certifies that the proposer 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 proposer.
- C. The individual signing certifies that there has been no attempt by the proposer to discourage any potential proposer from submitting a proposal.
- D. The individual signing certifies that the proposer is a properly licensed certified public accountant.
- E. The individual signing certifies that the proposer meets the independence standards of the Government Audit standards.
- F. The individual signing certifies that he/she is aware of, and will comply with, the GAO Continuing Education requirements.
- G. The individual signing certifies that he/she has read and understands the GAO requirement of an external quality control (peer) review at least once every three years.
- H. The individual signing certifies that he/she has read and understands the pertinent publications relative to the proposed audits that include but are not limited to:
 - a. Government Audit Standards
 - b. OMB Circular A-133
 - c. OMB Circular A-110
 - d. OMB Circular A-87
- I. The individual signing certifies that he/she has read and understands all of information in this RFP.
- J. The individual signing certifies that the proposer, 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 Proposer or any individual to be assigned to the audit has been found in violation of any state or AICPA professional standards, this information must be disclosed).

K. The individual signing certifies that the Proposer does carry professional malpractice and liability insurance.

Dated this _____ day of _____, 2014.

Proposer's Firm Name

Signature of Proposer's Representative

Printed Name and Title of Representative Signing