

Date: February 14, 2018  
Project Title: Independent Audit Services

TO: Certified Auditing Firms  
SUBJECT: Request for Proposals

The Palatka Housing Authority herein solicits Request for Proposals (RFP) from qualified, licensed, responsible firms interested in providing PHA's External Annual Audit in accordance with the requirements of the U.S. Department of Housing and Urban Development (HUD).

Each Proposer should submit an original and four (4) copies of its Proposal to Palatka Housing Authority, attention: Willie Mae Thomas, Procurement Officer, 400 N. 15<sup>th</sup> Street, Palatka, FL 32177. Proposals will be accepted until **12:00 p.m. Eastern Standard Time (EST) Thursday March 8, 2018.**

**Proposals must be clearly marked – “Request for Proposals – Independent Audit Services”**

Any Proposals received after the specified time and date will not be considered. All Proposals must be received and time-date stamped by the PHA receptionist at the address listed above, on or before the above specified time and date. If you choose to mail in your Proposal, it must be mailed return receipt requested and arrive by the specified time, regardless of the postmark date. **THERE WILL BE NO EXCEPTIONS.**

By submission of a Proposal the Contractor agrees, if its Proposal is accepted, to enter into a contract with the Housing Authority to complete all work as specified or indicated in the contract documents for the contract price and within the contract time indicated in the attached RFP. The Proposers further accept all of the terms and conditions of the RFP.

Proposals should be prepared in accordance with instructions contained within the RFP and should remain valid for 90 days. PHA will not be liable for any costs incurred in the preparation of proposals. Proposals shall be evaluated by PHA as stated in the evaluation factors noted in the RFP. Oral presentations, if deemed necessary by PHA, will be scheduled at a mutually agreeable date and time. Executive Director reserves the right to request additional information concerning any and/or all Proposals submitted. **NOTE: PHA reserves the right to reject any or all proposals if such action is in the best interest of the Housing Authority and to waive any and all informalities and minor irregularities. PHA reserves the right to cancel this solicitation for any reason it deems is in the best interest of the agency.**

Questions regarding the attached RFP should be directed to Ms. Willie Mae Thomas, Procurement Officer, at (386) 530-2360 ext. 215.

Sincerely,

Willie Mae Thomas, Procurement Officer

## **TABLE OF CONTENTS**

|              |   |
|--------------|---|
| INTRODUCTION | NOTICE OF INTENT                        |
| SECTION A    | TYPE OF CONTRACT                        |
| SECTION B    | QUESTIONS AND ADDITIONAL<br>INFORMATION |
| SECTION C    | STATEMENT OF WORK                       |
| SECTION D    | EVALUATION CRITERIA                     |
| SECTION E    | INSTRUCTIONS TO PROPOSERS               |

**REQUEST FOR PROPOSALS**  
**INDEPENDENT AUDIT SERVICES**

**NOTICE OF INTENT TO RECEIVE PROPOSALS**

The audit of the Palatka Housing Authority (PHA) shall be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and all other relevant regulations. PHA is requesting audit proposals for fiscal years ending March 31, 2018 and March 31, 2019 with renewal option for the fiscal years ending March 31, 2020, March 31, 2021, March 31, 2022, March 31, 2023 and March 31, 2024.

PHA is chartered as a public corporation under the laws of the State of Florida. The purpose of the Authority is to engage in the development, acquisition, leasing and administration of low-rent housing programs. Our administrative offices are located at 400 N. 15<sup>th</sup> Street, Palatka, FL 32177. The Authority uses Scott Accounting Software (SACS) software.

**SECTION A**

A-1 Type of Contract

The Palatka Housing Authority contemplates the award of a firm fixed price contract resulting from this solicitation. The term of this contract shall be two (2) years from date of award. This contract may be renewed for additional one-year periods by mutual consent of both parties. The contract will be subject to termination upon one hundred twenty (120) days advance notice by either party. In the event that the Proposer to which the contract is awarded does not execute a contract within thirty (30) days after such award, PHA may give notice to such Proposer of intent to award the contract to the next ranked Proposer or to call for new proposals.

**SECTION B**

B-1 Questions and Additional Information

Any questions pertaining to this RFP must be in writing and directed and addressed to Palatka Housing Authority, 400 N. 15<sup>th</sup> Street, Palatka, FL 32177 no later than February 27, 2018. Copies of all inquiries and PHA responses will be sent to all proposers who received a copy of this RFP from PHA no later than five days prior to the Proposal submission date.

Copies of any written addenda to this RFP will be provided to all proposers who receive a copy of this RFP from PHA no later than five days prior to the Proposal submission date, and all such addenda shall become part of this RFP.

## SECTION C

### C-1 Evaluation Criteria

The following criteria will be used to evaluate RFP responses as described below. Specific evaluation criteria to evaluate the technical qualifications of each proposer and their degree of importance/relative weight are as follows:

- Mandatory Requirements (5 points)
  - a. The audit firm is independent and licensed to practice in Florida.
  - b. Staff has maintained CPE requirements.
  - c. Firm is not currently being censored by REAC.
  - d. The audit firm submits a copy of their most recent peer review and has a record of quality audit work.
  - e. References from at least 3 other PHAs (comparable size of PHA)
  
- Technical Requirements (65 points)
  - a. Expertise and experience of the firm auditing Public Housing Authorities (40 points)
    - 1. Organization, size and structure of firm
    - 2. Technical and professional qualifications of staff
    - 3. Firm's past experience and performance with similar engagements
    - 4. Firm's past experience in CAFR preparation
    - 5. Experience of the site auditors conducting public housing audits
  
  - b. Audit Approach (25 points)
  
- Fees for service (30 points)

The evaluation and selection of an audit firm will be based on the information submitted in the audit firm's proposal, references obtained, and any required on-site visits or oral presentations. Failure to respond to each of the requirements in the RFP may be the basis for rejecting a proposal. PHA reserves the right to reject any and all proposals. If contract negotiations cannot be concluded successfully with the highest scoring proposer, PHA may negotiate a contract with the next highest scoring proposer.

The request for proposals and the completed response to the request for proposals will be an addendum to the executed contract with the successful audit firm.

C-2 Due Date of Proposal

Proposals are due at the Housing Authority office by 12:00 p.m. Eastern Standard Time (EST) on Thursday, March 8, 2018, mailed or delivered to the attention of:

**Willie Mae Thomas, Procurement Officer  
Palatka Housing Authority  
400 N. 15<sup>th</sup> Street, Palatka, FL 32177**

The President/CEO shall make a recommendation to the Board of Commissioners. The Board of Commissioners will make the final selection of the firm to be awarded the contract. A contract will be awarded to the Proposer whose proposal best meets the needs and requirements of PHA for the best value. Failure to meet the threshold requirements may result in rejection of the proposal. An interview with finalists may or may not be required at the discretion of PHA. All Proposers, or only Proposers who fall within the competitive range, may or may not be interviewed.

PHA shall review proposals on the basis of qualifications, technical merit, and cost using the weighted criteria described above. Following is a summary of weighted selection criteria:

| <b>SELECTION CRITERIA</b>  | <b>TOTAL POINTS</b> |
|--|---------------------|
| Mandatory Requirements   | 5                   |
| <u>Technical Requirements</u><br>A. Expertise and experience of the firm auditing Public Housing Authorities (40 points) | 40                  |
| Audit Approach   | 25                  |
| Fees for service   | 30                  |
| <b>Total</b>   | <b>100</b>          |

C-3 Time for Receiving Proposals

Proposals received prior to the due date and time will be secretly kept unopened. No Proposal received thereafter will be considered. Proposals are not publicly read or opened and once submitted, Proposals become the property of PHA.

#### C-4 Negotiations and Award

Unless there is no need for negotiations with any of the Proposers, negotiations shall be conducted with Proposers who submit proposals determined to have a reasonable chance of being selected for award, based on evaluation of qualifications, price, and other factors considered most advantageous to PHA. Such Proposers shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and advise Proposers of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No Proposer shall be provided information about any other Proposer's proposal, and no Proposer shall be assisted in bringing its proposal up to the level of any other proposal. Proposers shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award; however, best and final offers may be requested. PHA reserves the right to request additional information concerning any and/or all proposals submitted. A common deadline shall be established for receipt of proposal revisions based on negotiations.

After evaluation of proposal revisions, if any, the contract shall be awarded to the responsible firm whose qualifications, price and other factors considered, are the most advantageous to PHA.

### **SECTION D**

#### D-1 Statement of Work

Auditor will conduct an audit that covers the Authority's financial statements, internal control systems, and compliance with laws, regulations, and contract provisions or grant agreements that may have a direct and material effect on each of its major programs. The audit shall be performed in accordance with the following standards and guidelines:

1. Generally Accepted Auditing Principles (GAAP) as promulgated by the American Institute for Certified Public Accountants (AICPA).
2. Generally Accepted Government Auditing Standards (GAGAS) as published by the Government Accounting Office (GAO).
3. The provisions of the Single Audit Act Amendments of 1996 and provisions of the Uniform Guidance.
4. The Federal compliance Supplement for Single Audits for State and Local Governments.
5. Auditing and reporting provisions of the applicable HUD Audit Guide for Lower Income Housing Program for use by Independent Public Accountants.
6. Any applicable requirements promulgated and adopted by the Federal Government and/or State of Florida including individual grantor agency rules and regulations.
7. Any applicable requirements of the Governmental Accounting Standards Board (GASB).

The Single Audit reporting package will be submitted to the U.S. Department of HUD, and PHA's Board of Commissioners. The report will consist of the following items and any other pertinent information required as part of the HUD REAC GAAP flyer #6 and the Single Audit Act, Uniform Guidance, or as required by HUD. The auditor shall comply with all applicable authoritative guidance to include but not limited to: a) SAS 29, b) SSAE No. 4, c) GASB 33 and 34.

The report will contain the following information at a minimum:

- a) PHA prepares financial statements for the following program areas in accordance with GAAP for State and Local Governments:
    - i) Public Housing
    - ii) Section 8
    - iii) Affordable Housing (Westover Apartments and Other Programs)
    - iv) Capital Fund Program
1. Financial Statements (including all applicable footnotes)
  2. Footnotes on the Summary of Significant Accounting Policies and Federal Non-Cash Assistance
  3. Auditor's opinion on the financial statements and required supplementary schedules, (i.e. Schedule of Expenditure of Federal Awards, Financial Data Schedule, et al.)
  4. Report on Compliance and on Internal Control Over Financial Reporting based on an audit of financial statements performed in accordance with Government Auditing Standards (GAS) and/or Generally Accepted Auditing Standards (GAAS)
  5. Report on Compliance with requirements applicable to each "major program" and internal control over compliance in accordance with provisions of the Uniform Guidance
  6. Schedule of Expenditures of Federal Awards
  7. Schedule of Findings and Questioned Costs (includes "summary of auditor's results" and findings in the current and prior year audits)
  8. Statistical schedules
  9. Corrective Action Plan
  10. Data Collection Form

The Authority wishes the audit to commence 90 days after the end of the fiscal year and to be completed within 90 days. The final report must be submitted back to the PHA by October 31 annually. In addition, a report including all findings and management points must be reviewed with the Authority during an exit conference. All adjusting entries must first be reviewed with the Chief Financial Officer before completion of fieldwork.

## SECTION E

### E-1 Instructions to Proposers

Your proposals should include:

- Information concerning your firm and the name of the contract partner and staff persons who will be assigned to perform the audit. You should indicate the prior audit experience of these persons, including specifically their experience auditing public housing authorities and HUD grants. Please submit resumes for all staff to be assigned to this audit.
- References pertaining to public housing authority audit clients for which your firm has been the auditor of record and who have permitted the listing of their names as a reference. Please indicate the nature of the work performed for these clients as well as the time frame and the size of the authority.
- Please include in your proposal the latest peer review report and a certification that your firm is licensed to perform audits in Florida.
- A statement as to the amount of assistance your firm will expect from the Palatka Housing Authority finance staff. If PHA finance staff will be asked to prepare audit schedules, please list all anticipated requirements.
- A description of insurance coverage maintained by the firm. Please provide a copy of the declaration page from current policies for Worker's Compensation, General Commercial Liability and Professional Liability, Malpractice and Errors and Omissions insurance coverage.
- Certification that your firm is in compliance with the Equal Employment Opportunity requirements.
- A breakdown of time by staff level and computation of the audit fee including expenses used in your proposal. The computation should show the amount of time required and rate used by each level of staff you expect to use on the audit.

The computation should be in the following format:

| LEVEL OF SERVICE   | RATE PER HOUR | ESTIMATED HOURS | AMOUNT |
|--------------------|---------------|-----------------|--------|
| Partner            |               |                 |        |
| Manager            |               |                 |        |
| Senior Staff       |               |                 |        |
| Intermediate Staff |               |                 |        |
| Staff Assistant    |               |                 |        |
| Support Staff      |               |                 |        |
| Expenses           |               |                 |        |
| TOTALS             |               |                 |        |

The contract also requires that you retain the audit working papers to which PHA or other governmental units may have access for a period of five years. These working papers will also be made available to successor auditors should your firm not be the successful



bidder in future years. Additional information that we believe may assist you in the preparation of the audit proposal is attached. The completed response to the request for proposal will be an addendum to the signed contract executed with the successful audit firm.

**STATISTICS**

|                                    |     |
|------------------------------------|-----|
| Public Housing Units               | 422 |
| Section 8: Housing Choice Vouchers | 340 |
| Affordable Housing                 | 25  |

E-2 Acceptance of Proposals

Proposals must be signed, sealed and received in completed form at Palatka Housing Authority located at 400 North 15<sup>th</sup> Street, Palatka, FL 32177, attention: Willie Mae Thomas, Procurement Officer no later than the proposal submission time and date. Unsealed Proposals will not be accepted. Proposals submitted after the designated date and hour will not be accepted for any reason and will be returned unopened to the proposer.

PHA reserves the right to accept or reject any or all Proposals, issue addenda, take exception to these RFP specifications or to waive any formalities. Proposer may be excluded from further consideration for failure to fully comply with the requirements of this RFP.

E-3 Withdrawal of Proposals

Proposals may be withdrawn by written request prior to the deadline set for acceptance of proposals. Proposals may not be revoked or withdrawn after the time set for opening of proposals and shall remain open for acceptance for a period of ninety (90) days following such time.