

Worksights, Inc.

**Request For Proposal
For Audit Services**

For the Period

July 1, 2008 to June 30, 2009

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Name: Carolyn Bunzendahl

Title: Deputy Director

Entity: Worksights, Inc.

Address: 892 S. State Street

Greenfield, IN 46140

Phone: (317) 467-0845

Proposal Guidelines

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I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending June 30, 2009.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Bidder's Conference

No bidders conference will be held. Any questions should be directed to the individual listed on the front of this RFP.

D. Instructions on Proposal Submission

1. Closing Submission Date

Proposals must be submitted no later than 4:30 p.m. on June 10, 2009.

2. Inquiries

Inquiries concerning this RFP should be directed to Carolyn Bunzendahl at (317) 467-0845.

3. Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by Worksights, Inc.

4. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

Name: Carolyn Bunzendahl

Title: Deputy Director

Entity: Worksights, Inc.

Address: 892 S. State Street

Greenfield, IN 46140

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Worksights, Inc.
Request for Proposal
4:30 p.m. June 10, 2009.
SEALED PROPOSAL
For Audit Services

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to insure that the proposal is received by Worksights, Inc. by the date and time specified above.

Late proposals may not be considered.

5. Right to Reject

Worksights, Inc. 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.

6. Small and/or Minority-Owned Businesses

Efforts will be made by Worksights, Inc. to utilize small businesses and minority-owned businesses.

An Offeror 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 audit firm will be made within 2 weeks of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

It is expected that the contract shall be a one-year fixed price contract.

E. Description of Entity and Records to be Audited

Worksights, Inc. is a nonprofit organization which serves 8 counties in Indiana. Worksights, Inc. is a private, nonprofit corporation and has been determined to be exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. We are the contracted Regional Operator for the Region 5 Regional Workforce Board. We are governed by a 3 member volunteer Board of Directors. The Region 5 Workforce Board, Inc. is a 14 member volunteer board. Administrative offices and all records are located at 892 S. State Street, Greenfield, IN 46140.

Our accounting system utilizes the computer software package developed by Kinetra Fundware, in Denver, CO. This is a windows based program. All records are stored on our server and reports generated as they are required. We have one set of books to be audited. Our payroll is processed through Automated Data Processing in Indianapolis, IN.

We have one bank account at Greenfield Banking Company, Greenfield, IN, consisting of one checking account. During the course of one year, we issue approximately 350 checks.

Our primary sources of revenue are Federal and State grants involving job training activities, in association with the Indiana Department of Workforce Development. Program Year 2008 expenditures are expected to be \$600,000.

Worksights, Inc. will provide an opportunity for review of its records to any "Offerors" who wish to review our documents as part of their response to this RFP. Inquirers are to contact Carolyn Bunzendahl for arrangements.

Subsequent to the audit and part of this RFP will be the filing of State and Federal taxes for Worksights, Inc. for the Program Year that is being audited. Any extension of filing deadlines, etc. associated with the taxes will be the responsibility of the audit firm selected.

Worksights, Inc. has a staff of 7 members. Payroll taxes and filings are performed by ADP, and will not be required under this RFP.

II. SPECIFICATION SCHEDULE

A. **Scope of a Financial and Compliance Audit**

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of Worksights, Inc.

Government Audit Standards (1994 Revision), states on page 2-1:

Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations and cash flows or changes in 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.

B. **Description of Programs/Contracts/Grants**

Worksights, Inc. has only one major funding source and that is Workforce Investment Act monies. The funds flow to Worksights, Inc. from a Regional Workforce Board. The Regional Workforce Board receives the funds from the Indiana Department of Workforce Development who receives the funds from the Department of Labor. Worksights, Inc. serves as the Staff for the Regional Workforce Board.

C. **Performance**

The Worksights, Inc.'s records should be audited through June 30, 2009.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards* (1994 Revision), and with any and all requirements set forth by the State of Indiana to insure compliance with the audit requirements of the State.

D. Field Work and Delivery Schedule

Field Work for Audit is to be completed by Friday, July 24, 2009 and Offeror is to transmit one copy of the draft audit report to Worksights, Inc. on or before August 7, 2009.

The Offeror shall deliver 10 final audit reports to Worksights, Inc.'s Board of Directors no later than August 21, 2009.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, Worksights, Inc. may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror's proposed price should be submitted separately and include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated and be inclusive in the bid price. The pricing information should be in a separate sealed envelope.

F. Payment

Payment will be made when Worksights, Inc. has determined that the total work effort has been satisfactorily completed. Should Worksights, Inc. reject a report, Worksights, Inc.'s authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments may be allowed to the extent that Worksights, Inc. can determine that work has been completed which would justify the payment request. The passage of time alone does not constitute an allowance for payment.

Upon delivery of the 10 copies of the final reports to Worksights, Inc. and their acceptance and approval, the Offeror may submit a final bill for the balance due on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by Worksights, Inc. and its funding sources to ensure compliance with General Accounting Office's (GAO) *Government Audit Standards* and other appropriate audit guides.

H. Exit Conference

An exit review with Worksights, Inc.'s representatives and the Offeror's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with Worksights, Inc. It should include internal control and program compliance observations and recommendations.

I. Work papers

1. The Offeror will provide a copy of the work papers; and in addition, any analysis pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The work papers will be retained for at least three years from the end of the audit period.
3. The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and Worksights, Inc.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Worksights, Inc. the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to immediately notify, in writing, Worksights, Inc.'s authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons here fore.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing similar programs funded by *the State of Indiana*.
2. Prior experience auditing programs financed by the Federal Government.
3. Prior experience auditing nonprofit organizations.
4. Prior experience utilizing American Fundware accounting software.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members. Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by *Worksights, Inc.*

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include two copies of the Offeror’s technical qualifications, two copies of the pricing information (in a separately sealed envelope), and two copies of the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

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

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Audit Standards* of the U.S. Comptroller General (1994 Revision).

C. Evaluation

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

<u>Factors</u>	<u>Point Range</u>
1. Prior experience auditing**.	
a. Prior experience auditing similar programs funded by <i>the State of Indiana</i>	0-5
b. Prior experience auditing programs financed by the Federal Government	0-5
c. Prior experience auditing nonprofit organizations	0-5

** Worksights, Inc. may contact prior audited organizations to verify the experience provided by the Offeror.

<u>Factors</u>	<u>Point Range</u>
2. Organization, size, and structure of Offeror's firm. (Considering size in relation to audits to be performed.)	
a. Adequate size of the firm	0-5
b. Minority/small business	0-5
3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered.	
a. Audit team makeup	0-5
b. Overall supervision to be exercised	0-5
c. Prior experience of the individual audit team members	0-10
4. Offeror's understanding of work to be performed.	
a. Adequate coverage	0-10
5. Price	<u>0-45</u>
MAXIMUM POINTS:	<u>100</u>

D. Review Process

The Worksights, Inc. may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, Worksights, Inc. 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 Offeror can propose.

Worksights, Inc. contemplates award of the contract to the most responsive and responsible Offeror with the highest total points.

CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror 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 Offeror.
- C. 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.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before July 1, 2002.
- G. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards* (1994 Revision or later revisions).
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
- I. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. *Government Auditing Standards* (1994 Update) (Yellow Book)
 - 2. OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* (June 1997)
 - 3. *OMB Circular A-133 - Compliance Supplement* (Revised June 1997)
 - 4. OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations* (1993)
 - 5. OMB Circular A-122, *Cost Principles for Nonprofit Organizations* (May 1987)

- 6. *A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contract with the Department of Health and Human Services* (May 1983)
- 7. *Audits of Voluntary Health and Welfare Organizations* (AICPA Audit Guide)
- 8. *Audits of Certain Nonprofit Organizations* (AICPA Audit Guide)
- K. 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.
- L. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, 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 Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20__.

 (Offeror's Firm Name)

 (Signature of Offeror's Representative)

 (Printed Name and Title of Individual Signing)