



Request for Proposal for Annual Audit Services

Beginning fiscal year ending June 30, 2024, ending June 30, 2025,
and ending June 20, 2026, with options to extend up to two (2) additional one year terms.

Inquiries and proposals should be directed to:

Name: Lisa Barton

Title: Executive Director

Address:

P. O. Box 279
175 Military Lane
Gate City, VA 24251

Phone: 276-452-2441

Email: lbarton@appcaa.org

General Information

- A. Purpose: This Request for Proposal (RFP) is for sealed proposals to establish a contract through competitive negotiation for the purchase of independent Auditing services, for the year ending June 30, 2024 through June 30, 2026 with an option to extend for up to two (2) additional one year terms. This RFP does not represent an expressed or implied obligation for Appalachian Community Action and Development Agency, Inc. (AppCAA) to reimburse proposing accountants for any expense incurred in preparing proposals accountants for any expense incurred in preparing proposals in response to this RFP.
- B. Background: Appalachian Community Action and Development Agency, Inc. (AppCAA) is a 501 c(3) public charity organized in 1964. The organization was incorporated as a non-profit Community Action Agency. Our mission is “AppCAA is an agent of change, empowering our communities to be strong and self-supporting”.

The agency’s fiscal yearend is June 30. As of June 30, 2023, the Agency’s annual revenues were approximately \$2,900,000; most funds are standard federal and state funds. The agency employs 24 individuals, (23 full-time and 1 part-time) at 4 locations. The agency records are housed at the main office located at 175 Military Lane, Gate City, VA 24251.

The agency uses Abila MIP accounting software and operates on the accrual basis of accounting.

The agency does not have a negotiated indirect cost rate with the US Department of Health and Human Services, Division of Cost Allocation.

- C. Statement of Needs: The Agency invites qualified, certified public accountants (hereinafter called the Offeror) to submit proposals to perform a financial audit for the fiscal years ending June 30, 2024 through 2026, with an option to extend for up to two (2) additional one year terms. The certified public accountant selected (hereinafter called the Auditor) is to perform the audit in accordance with Generally Accepted Auditing Standards (GAAS); Governmental Accounting Standards Board (GASB); Government Auditing Standards issued by the Comptroller General of the United States (GAS);the provisions of the Single Audit Act; Subpart F of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and include any other pertinent requirements that the Offeror must comply with, such as specific audit guides or specific state funding source requirements.

Scope of Work to be performed:

1. Annual Financial Statement Audit
2. Federal Single Audit
3. Preparation of IRS form 990 and submission
4. Independent Auditor's Report
5. Independent Auditor's Report on Internal Control Over Financial Reporting
6. Independent Auditor's Report on Compliance with Requirements Applicable for each Major Program and on Internal Control over Compliance
7. Management Letters
8. Submission of Audit to the Audit Clearinghouse
9. Any other work or submission related to the auditing standards

A. Assistance to be Provided to the Auditor

1. The Agency will represent, for each audit period, that the financial records will be presented in conformity with accounting principles generally accepted in the United States of America and will include properly classified funds and account groups of the Agency and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. Schedules

The staff of the Agency shall prepare the following information:

- A final trial balance
 - A schedule for accounts payable at year end
 - A schedule of accounts receivable at year end
 - A schedule of salaries, fringe benefits and payroll taxes
 - A listing of all inventories
 - A fixed asset schedule
 - A schedule of all insurance
 - A copy of all lease agreements, notes payable and contracts at year end
 - A listing of all in-kind received at year end
 - Copies of monthly-reconciled bank statements for each cash account
 - Financial records and related data, and all audit or relevant monitoring reports, if any, received from funding sources
 - Minutes of the meetings of the Agency's Board of Directors
 - Schedule of all Federal awards
3. Other Assistance
The staff of the Agency and responsible management personnel will be available during the audit to assist the firm by providing information and explanation.

Proposal Preparation and Submission Requirements

A. General Requirements

1. RFP Response

In order to be considered for selection, offerors must submit a complete response to this RFP. One original and three copies of each proposal must be submitted to AppCAA in a sealed envelope labeled AUDIT PROPOSAL on the outside lower left corner. Facsimile or scanned/email submissions of proposals are not acceptable and any such proposal will not be considered.

2. Proposal Preparation

- a. An authorized representative of the offeror must sign the proposal.
- b. The proposal submitted must contain all information requested. Failure to submit all information requested may result in AppCAA's requiring prompt submission of missing information, assigning a low evaluation to the proposal, or rejecting the proposal. Proposals that are substantially incomplete or lack key information will be rejected by AppCAA. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- c. Proposals must be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis must be on completeness and clarity of content.
- d. Ownership of all data, materials and documentation prepared for AppCAA pursuant to this RFP will belong exclusively to AppCAA and be subject to public inspection in accordance with the Virginia Freedom of Information Act (FOIA). Trade secrets or proprietary information submitted by an offeror will not be subject to public disclosure under FOIA: however, the offeror must (i) invoke the protection of Section 2.2-4342 of the Code of Virginia prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons as to why protection is necessary.

3. Oral Presentation

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to AppCAA. This presentation will provide an opportunity for the offeror to clarify or elaborate on the proposal but in no way will change the original proposal. AppCAA will schedule the time and location of these presentations. Oral presentations are an option of AppCAA and may not be conducted: therefore, proposals must be complete.

B. Specific Requirements

Proposals must be as thorough and detailed as possible so that AppCAA may evaluate the offeror's capabilities to provide the required services. Offerors are required to include the following items to ensure a complete proposal:

1. Title Page
2. Table of Contents
3. Letter of Transmittal containing (or referencing materials included in the proposal that contain):
 - a. History of the firm, including number of years in business and size of firm.
 - b. A statement by the prospective Auditor of its understanding of the work to be done, including specific reference to the provisions in the Scope section of this RFP, with descriptions of the audit approach and illustrations of the procedures to be employed.
 - c. The approximate date the audit will begin (including preliminary fieldwork), and end, as well as approximate dates for delivery of the financial statements and/or Auditor's reports.
 - d. Biographies, including experience, education, professional designations, and professional affiliations, of the individuals who will be assigned to the engagement. Also include relevant experience of each specifically in auditing community action agencies.

- e. Names, addresses, and telephone numbers of persons who may be contacted for reference, including at least one reference that was a former client of the offeror.

- f. A statement by the prospective Auditor that:
 - I. The firm is independent of AppCAA, as independence is defined in the *AICPA Code of Professional Conduct*.

 - II. The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia and the AICPA.

 - III. The firm has met the peer review standards of the AICPA and *Generally Accepted Government Auditing Standards*.

 - IV. The firm will provide adequate supervision on a day-to-day basis.

 - V. The audit engagement work papers will be adequate and available for routine review by appropriate Auditors of the Federal and State governments.

 - VI. Conferences between the Auditor, AppCAA employees and/or representatives of AppCAA will be scheduled by the selected Auditor before the preliminary financial statement audit work and at the end of the fieldwork. The purpose of these meetings is to keep AppCAA fully informed as to the scope and progress of the financial statement audit.

 - VII. The Auditor will furnish a draft of the final report to representatives of AppCAA for its comments no later than February 1, 2025, and February 1 of any subsequent year for which a renewal is granted for these financial statement audit services.

 - VIII. The Auditor will provide AppCAA with 25 copies of the financial statements and Auditor's report thereon and, if issued, management letter no later than February 1, 2025, and February 1 of any subsequent year for which a renewal is granted for these financial statement audit services.

VIII. FEES

Fees for services will be negotiated. The fee will be in the form of a fixed contract price, with an escalation factor for renewals. Fees for additional services will be mutually agreed upon separately from (or as amendments or addenda to) the contract awarded as a result of this RFP, in writing by the Auditor and AppCAA.

IX. EVALUATION AND AWARD CRITERIA

A. EVALUATION CRITERIA

Selection criteria will include the following:

1. The skill, experience and training of the specified persons who will be performing the services requested.
2. The Auditor's understanding of AppCAA's system of accounting obtained through prior experience or discussion with appropriate AppCAA officials.
3. The prior or current experience and reputation of the Auditor in auditing other community services board and/or governmental units similar to AppCAA.
4. Ability to complete the audit and submit the financial statements and Auditor's reports to AppCAA by the required deadlines.

B. AWARD

AppCAA will engage in individual discussions with the offeror deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews will be permissible. Such offerors will be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the audit. This RFP, is not, however, requesting that offerors furnish estimates of people-hours or cost for services.

At the discussion stage, AppCAA may discuss nonbinding estimates of total costs for audit services. Proprietary information from competing offerors will not be disclosed to the public, to other offerors, or to competitors. At the conclusion of discussions, on the basis of the selection criteria listed in this RFP and all information developed in the selection process to this point, AppCAA shall select in order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious.

AppCAA then will conduct negotiations, beginning with the offeror ranked first. If a contract satisfactory and advantageous to AppCAA can be negotiated at a price considered fair and reasonable and pursuant to contractual terms and conditions acceptable to AppCAA, the award will be made to that offeror. Otherwise, negotiations with the offeror ranked first will be terminated formally and negotiations conducted with the offeror ranked second, and so on until a contract can be negotiated at a fair and reasonable price. If AppCAA determines in its sole discretion and documents such in writing that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, AppCAA may negotiate and award a contract to that offeror.

A contract resulting from this RFP may be renewed two (2) one-year terms if the parties mutually agree in writing.

X. GENERAL TERMS AND CONDITIONS

A. AppCAA's Procurement Policy

This solicitation is subject to the provisions of AppCAA's *Fiscal Management Operating Procedures* and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of these Procedures is available for review at AppCAA's main office.

B. Clarification of Terms

If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact:

Lisa Barton, Executive Director
175 Military Lane
Gate City, VA 24251
276-452-2441 Ext. 102

The prospective offeror must make this contact no later than five days before the proposal due date. Any revisions to the RFP will be made only by addendum issued by AppCAA.

C. **Default**

In case of failure to deliver services in accordance with the contract terms and conditions, AppCAA will provide due oral or written notice to the Auditor and may procure financial statement audit services from other sources, holding the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which AppCAA may have.

D. **Assignment of Contract**

A contract resulting from this RFP will not be assignable by the Auditor in whole or in part without the prior written consent of AppCAA.

E. **Applicable Law and Courts**

Any contract resulting from this RFP will be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought only in the courts of Scott County, Virginia. The contractor shall comply with applicable federal, state and local laws and regulations.

F. **Compliance**

By signing this Proposal, the Auditor certifies they are in full compliance with all applicable laws and regulations.

G. **Qualifications of Offerors**

AppCAA may make such reasonable investigations deemed appropriate and necessary to determine the ability of the offeror to perform the work, and the offeror shall furnish to AppCAA all such information and data for this purpose as AppCAA may request. AppCAA reserves the right to inspect offeror's physical facilities regarding the offeror's capabilities. AppCAA also reserves the right to reject any proposal if the evidence submitted by or investigations of such offeror fails to satisfy AppCAA that such offeror is adequately qualified to carry out the financial statement audit services or to complete any work related thereto.

H. **Subcontracts**

The Auditor may not subcontract any portion of the financial statement audit work without the prior written consent of AppCAA. The Auditor will remain fully liable and responsible for all work performed by any subcontractor and assure compliance with all requirements of the contract.

I. **Ethics in Public Contracting**

By submitting their proposals, all offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

XI. **SPECIAL CONDITIONS**

A. **INSURANCE**

By signing and submitting a proposal under this solicitation, the offeror certifies that, if awarded the contract, it will have the following insurance coverage at the time the work commences. Additionally, it will maintain this insurance coverage during the entire term of the contract, including renewal periods, through insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES REQUIRED

The limits are to be:

Profession/Service Limits

Accounting \$1,000,000 per occurrence: \$5,000,000 aggregate

B. **PROPOSAL ACCEPTANCE PERIOD**

Proposals in response to this RFP will be binding upon the offeror for 30 calendar days following the proposal opening date. Any bid or proposal on which the offeror shortens the acceptance period may be rejected.

C. **WORK PAPERS**

The Auditor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment by AppCAA toward the total cost of the financial statement audit services provided for a specific fiscal year. AppCAA, its authorized agents, and/or State Auditors will have full access to and the right to examine any of said materials during this retention period.

D. CANCELLATION OF CONTRACT

AppCAA reserves the right to terminate any contract resulting from this RFP without penalty upon 60 days written notice to the Auditor. Any contract termination notice will not relieve the Auditor of the obligation to deliver and/or perform on all outstanding orders issued prior to the termination.

E. AVAILABILITY OF FUNDS

AppCAA and the Auditor understand and agree that AppCAA will be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of any contract resulting from this RFP.

F. CHANGES TO ANY CONTRACT RESULTING FROM THIS RFP

AppCAA may order changes within the general scope of the contract at any time by written notice to the Auditor. AppCAA will compensate the Auditor for any additional costs incurred as the result of such order, and the Auditor will grant AppCAA a credit for any resulting savings. Such revised costs will be determined by mutual agreement between the parties in writing.

XII. METHODS OF PAYMENT:

Interim billings for financial statement audit services for any specific fiscal year shall not exceed 80% of the total fee. AppCAA will make final payment for any contract resulting from this RFP upon approval of the resulting reports by AppCAA's Board.

**Appalachian Community Action & Development Agency, Inc.
Request For Proposals**

Issue Date: November 1, 2023

Title: Audit Contract

Issuer: Appalachian Community Action & Development Agency, Inc.
175 Military Lane
Gate City, VA 24251

Appalachian Community Action & Development Agency, Inc. request qualified independent certified public accountants to submit proposals to enter into a term contract to perform a financial audit for each of the fiscal years ended June 30, 2024 through June 30, 2026 with options to extend for up to two (2) additional one year terms.

Sealed proposals will be received until 4:00 on December 4, 2023.

Copies of the Request for Proposal may be obtained from Appalachian Community Action & Development Agency, Inc. website at www.appcaa.org or by contacting the main office.

All inquires for information should be directed to:

Lisa Barton, Executive Director
AppCAA
P. O. Box 279
175 Military Lane
Gate City, VA 24251
(276) 452-2441
lbarton@appcaa.org

If proposals are mailed, send directly to the address shown above. If proposals are hand delivered, deliver to:

175 Military Lane, Gate City, VA 24251

This institution is an equal opportunity provider and employer.