

Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency

Request for Proposal

For audit services

For the period

January 1, 2022 – December 31, 2022

Inquiries and proposals should be directed to:

Name: _____Hanna Adams_____

Title: _____Executive Director_____

Entity: _____Central Texas Opportunities, Inc. dba Cornerstone Community Action
Agency

Address: 114 Needham St., Coleman, TX 76834

Phone: _____325-625-4167 _____

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It is the responsibility of the Offeror to ensure that the proposal is received by *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* by the date and time specified above.

Late proposals will not be considered.

5. Right to Reject: *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* 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 *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* 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).

7. Notification of Award:

Timeline	
RFP Released	October 5, 2021
Advertising	October 5, 2021
Proposal Due Date	October 25, 2021
Open Date/Finance Committee Review	October 26, 2021
CCA Selection Finance/Board Mtg	November 23, 2021
Notification	November 29, 2021
Contract Begin	January 1, 2022

- 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 with options for four additional one-year periods.

E. Description of Entity and Records to be Audited

Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency is a nonprofit organization which serves eleven (11) counties in Texas. *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* 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. It is governed by a (9)-member volunteer Board of Directors. Administrative offices and all records are located at 114 Needham, Coleman, Texas, 76834.

Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency, receives local, state, and federal funds to operate multiple programs. Each program's funds are maintained in an operating checking account. In addition, we have a general account. The total number of checking accounts is four (4). All programs are maintained in computerized systems. The accounting software utilized is Abila Fund Accounting.

F. Options

At the discretion of *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency*, this audit contract can be extended for four (4) additional one-year periods. The cost for the option periods will be agreed upon by *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* and the Offeror. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

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 *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency*

Government Audit Standards, 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 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

HS – Head Start – purpose is to provide early child care services to children 0-5 and their families

Contract Period:	April 1 – March 30
Funding Source:	Health & Human Services
Contract Amount:	\$ 5,265,389
Administrative %:	10%
Counties Served:	Parker, Wise, Palo Pinto & Jack Counties.

CACFP – Child and Adult Care Food Program – purpose is to provide nutritious meals to children in Head Start Program.

Contract Period:	October 1 – September 30
Funding Source:	Texas Department of Agriculture
Contract Amount:	\$451,604
Administrative %:	0%
Counties Served:	Parker, Wise, Palo Pinto & Jack Counties.

CSBG – Community Services Block Grant – umbrella program for the agency; administrative support for all Direct Service Programs with administrative funds.

Contract Period:	January 1 – December 31
Funding Source:	Texas Dept. of Housing & Community Affairs (TDHCA)
Contract Amount:	\$183,989
Administrative %:	100%
Counties Served:	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, and Runnels Counties.

CEAP – Comprehensive Energy Assistance Program – purpose is to provide assistance to low-income families and individuals with gas, propane, wood, coal, and electricity payments in the following components:

a.) Energy Crisis

b.) Household Energy Crisis

Contract Period: January 1 – December 31
Funding Source: Texas Dept. of Housing & Community Affairs (TDHCA)
Contract Amount: \$1,530,193
Administrative %: 6%
Counties Served: Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, and Runnels Counties.

HOMES – HOME Investment Partnership Program – purpose is to provide affordable housing assistance & services to low-income household. Components offered:

a.) Tenant-Based Rental Assistance

Contract Period: Various
Funding Source: Texas Dept. of Housing & Community Affairs (TDHCA)
Contract Amount: \$1,482,317
Administrative %: 4%
Counties Served: Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels, Parker, Wise, Palo Pinto & Jack Counties.

TVC – Texas Veterans Commission – purpose is to provide employment support, financial assistance, homeless veteran support, referral services, supportive services, home modifications and home repair, and transportation services to veterans, dependents, and surviving spouses. Components offered:

- a.) Housing for Texas Heroes
- b.) General Assistance

Contract Period: July 1 – June 30
Funding Source: Texas Veterans Commission (TVC)
Contract Amount: \$600,000
Administrative %: 10%
Counties Served: Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels, Parker, Wise, Palo Pinto & Jack Counties.

CCD- Cornerstone Community Development – purpose is to rehab and renovate homes and to offer for resale.

Contract Period: January-December
Funding Source: Private Donor Grant and profit from sale
Contract Amount: \$369,510
Administrative %:
Counties Served: Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels

Other Programs

2020 CARES Awards

CSBG - \$234,808
CEAP- \$1,355,062

TEMAPS -	\$797,693
United Way-	\$10,300
RSVP-	\$165,000
RSVP State-	\$ 10,199
VITA -	\$51,200
Energy Assistance Grants-	\$22,265
GED-	\$17,210
Certified Nurse Aide Program-	\$34,323

Total 2020 Budgets- \$12,581,062

Representative Payee Program provides benefit payment management for our beneficiaries who are incapable of managing their **Social Security** or Supplemental **Security** Income (SSI) payments.

C. Performance

The *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency's* records should be audited for the period of Jan 1 through Dec 31. Audit should commence on or about February 1.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards*, and OMB Uniform Guidance.

Audit should also include:

- 1.) Schedule of expenditures of federal awards
- 2.) Texas Dept. of Housing & Community Affairs program period statements

In addition to the prepared audit reports, the federal information returns (Form 990) will need to be prepared by selected firm along with Pension Plan Audit and Form 5500, if needed.

Auditor will be required to present the audit report to Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency Board of Directors.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency's* Executive Director. The draft audit report is due on *June 1st*.

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, *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* 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. Include information indicating how the price was determined. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

F. Payment

Payment will be made when *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* has determined that the total work effort has been satisfactorily completed. Should *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* reject a report, *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency'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 will be allowed to the extent that *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* can determine that satisfactory progress is being made. Invoices should include program, time spent, and amount due.

Upon delivery of the final report to *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* and their acceptance and approval, the Offeror may submit a 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 *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* 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 conference with *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency'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 *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency*. It should include internal control and program compliance observations and recommendations.

I. Workpapers

- Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
- The workpapers will be retained for at least three years from the end of the audit period.
- The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency*

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency*, 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, *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency'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 therefor.

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 non-profit organizations.
2. Prior experience auditing similar programs funded by Texas.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience designing and/or installing accounting systems in non-profit organizations.

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 *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency*, because *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* desires to contract only with an Offeror who is already familiar with these publications.

The Offeror must provide a statement concerning the independence of the proposer including direct and indirect financial interest; and the relationship of the proposed audit team to employees of CTO, Inc. and/or any of the board members.

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.

C. Evaluation

Evaluation of each proposal will be scored on the following five factors:

	Point Range
1. Prior experience auditing and/or designing and installing accounting systems.	
a. Prior experience auditing non-profit organizations	0 – 5
b. Prior experience auditing similar programs funded by Texas	0 – 5
c. Prior experience auditing similar programs funded by the Federal Government	0 – 5
d. Prior experience auditing similar county or local government activities	0 – 5
e. Prior experience designing and/or installing accounting systems in non-profit organizations	0 – 5

Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency will contact prior audited organizations to verify the experience provided by the Offeror.

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 – 10
- 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
- b. Realistic time estimates of each audit step 0 – 5

5. Price 0 – 20

Maximum Points 100

D. Review Process

The *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, *Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency* 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.

Central Texas Opportunities, Inc. dba Cornerstone Community Action Agency contemplates award of the contract to the responsible Offeror with the highest total points.

Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. 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.
3. 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.
4. 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.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
6. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed.
7. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
8. 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.
9. 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.
10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - *OMB Uniform Guidance*
11. 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.
12. 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)