



Uniting People with Opportunities

United Planning Organization

REQUEST FOR PROPOSAL

AUDITING SERVICES

RFP # 2022-07

KEY INFORMATION

RFP Issue Date: **Friday, September 02, 2022**

RFP Closing Date and Time: **Friday, September 30, 2022** (by 2:00 PM EST)
Proposals must be received by or before the closing date and time

Issued By: United Planning Organization
301 Rhode Island Ave, NW
Washington, DC 20001
www.UPO.org

Proposals Requested: One (1) Technical Proposal
3654One (1) Price
Proposal

Email **both** Proposals **separately** to: Rizwanul Haque, UPO Procurement Officer
procurement@upo.org
Subject line - "Auditing Services RFP # 2022-07"

United Planning Organization (UPO) reserves the right to waive informalities or irregularities, to reject any or all proposals received, to accept the proposal deemed best for the organization, and/or request new proposals, if necessary.

In compliance with this Request for Proposal (RFP) and to all the conditions imposed herein, the undersigned offers and agrees to furnish the services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

For questions or information, please email Rizwanul Haque, Procurement Officer, at rhaque@upo.org, by Friday, September 16, 2022, at the latest. Be sure to reference "Auditing Services RFP # 2022-07" in the subject line. Your email will be answered within three (3) business days and will be posted on the UPO website.

Signed

Dated

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1. PURPOSE

United Planning Organization (UPO) is requesting a four (4) year audit and tax proposal from CPA firms with experience in providing audit and tax services to non-profit organizations.

2. CONTRACT PERIOD

The period of performance shall be four (4) consecutive years beginning with fiscal year ending September 30, 2022; and terminating with fiscal year ending September 30, 2025, subject to annual review and satisfactory negotiation of terms (including a reasonable price acceptable to both UPO and the selected firm) and the approval of UPO Board of Directors.

3. BACKGROUND

Founded in 1962, UPO is a 501(c) (3) private non-profit corporation and the designated Community Action Agency for the District of Columbia. Its mission is to provide leadership, support, and advocacy to empower low-income residents of Washington, DC to become self-sufficient and self-determined.

UPO serves as Washington, DC's premier non-government human service organization that promotes self-sufficiency and brings innovative ideas to the problem of poverty throughout the city. UPO operates a wide array of special activities and offers many supportive and instructional services including:

- Head Start, Early Head Start, and other childcare programs
- Comprehensive youth services with scholarships for DC residents only
- Homelessness transportation programs
- Training programs designed to prepare participants for skilled employment
- Substance abuse treatment programs
- Community based tax preparation services
- Housing Counseling services
- Job placement and career development services

UPO has a \$35 million annual operating budget and over 400 employees. Financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

4. SCOPE OF WORK

4.1. OVERVIEW

UPO is soliciting the services of qualified certified public accounting firms to audit its financial statements beginning with the fiscal year ending September 30, 2022; and terminating with the fiscal year ending September 30, 2025. These audits are to be performed in accordance with the provisions contained in this request for proposals.

4.2. REQUIRED QUALIFICATIONS

- a) The firm submitting the proposal must be qualified to perform independent audits in the District of Columbia and must have been engaged during the fiscal year ending September 30, 2022, as an independent auditor for the purpose of rendering an opinion on the annual financial statements of similar-sized organizations in the District of Columbia. Furthermore, the audit firm must have a minimum of ten (10) years of experience in auditing similar-sized not-for-profit organizations funded by the federal government and the District of Columbia. Not-for-profit audit experience will be strongly considered in evaluating the proposal.

- b) Supervisory members of the audit team, including the managing field auditor, should be Certified Public Accountants and have a minimum of five (5) years of supervisory experience in auditing non-profit organizations.

4.3. SERVICES REQUIRED

- a) UPO desires the auditing firm to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America. The following reports will be issued by the firm:
 - i. Audited Financial Statements of UPO
 - ii. OMB Uniform Guidance (A-133 Audit)
 - iii. Data Collection Form to the Federal Audit Clearinghouse
 - iv. Financial Statements of the UPO Retirement Plan
 - v. Financial Statements of the Martin Luther King, Jr. Memorial Breakfast
 - vi. IRS Form 990(AT has some observations on these items-RH)!
(Any change in above list of SERVICES/Reports may also impact Annexure-A)
- b) To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards (GAAS) as set forth by the Auditing Standards Board of the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
- c) Periodically UPO may be required to have separate audits performed. The auditing firm may be asked to perform these audits and any other audit services requested by UPO outside of the standard audit at the hourly rate stated, in Appendix A.
- d) All services not specifically mentioned in this RFP that are necessary to provide the functional capabilities described by the auditing firm shall be included in the proposal.

4.4. REPORTS

- a) Following the completion of the financial audit, the auditing firm shall issue a set of reports, not limited to, but certainly including the following:
 - i. Submission of an independent auditor's report expressing an opinion on UPO Financial Statements based on an audit.
 - ii. Submission of a report on the internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.
 - iii. Submission of a report on compliance for each major program and on internal control over compliance
 - iv. Submission of a report on Schedule of Expenditures of Federal Awards.
- b) The auditing firm shall communicate in a formal letter to UPO Board of Directors any significant deficiencies found during the audit. A significant deficiency shall be defined as a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- c) Copies of all reports shall be addressed to the UPO Board of Directors. The successful proposer will also submit copies of reports as required by federal audit requirements.

4.5. WORK-PAPER RETENTION AND ACCESS

- a) All work-papers and reports must be retained, at the auditing firm’s expense, for a minimum of five (5) years, unless the firm is notified in writing by UPO of the need to extend the retention period. The auditor will be required to make work-papers available, upon request by UPO.
- b) The auditing firm shall respond to the reasonable inquiries of a successor auditing firm and allow successor auditors to review work-papers relating to matters of continuing significance.

5. ASSISTANCE TO AUDIT FIRM

5.1 GENERAL

- a) UPO will provide the audit firm with an office space, internet access and the use of a copy machine during the field work period. The audit firm will be required to provide their own computer equipment and other essential office materials.

5.2 STATEMENTS, SCHEDULES AND OTHER INFORMATION PROVIDED

- a) UPO staff will provide the audit firm with statements, schedules, and other required information in support of the audit. The audit firm will provide UPO a listing of financial documentation required with a reasonable, adequate time allotted to compile the information for delivery to audit firm.

6. IMPORTANT DATES

6.1. REQUEST FOR PROPOSAL

RFP Issue Date	Friday, September 02, 2022
Last date for asking Questions	Friday, September 16, 2022
Proposal Submission Deadline	Friday, September 30, 2022
Notification of Contract Award (pending Board Approval)	Tuesday, October 25, 2022

6.2 AUDIT AND TAX TIMELINE (ESTIMATED)

Entrance Conference with Board Audit Committee	November 2022
Preliminary Test	November 2022
Field Work begins	January 2023
Deliver Draft Audit Report, Management Letter and Governance Letter	March 2023
Presentation of Final Draft Audit Report to UPO Board of Directors	April 2023
Final Audit Report issued	April 2023
Draft Tax Return to Management	May 2023
Final Tax Return to Management	May 2023

7. PROPOSAL REQUIREMENTS

7.1 GENERAL REQUIREMENTS

To be considered for selection, audit firms must submit a complete response to this RFP. A complete response consists of a Technical Proposal and a Price Proposal submitted separately to UPO.

NOTE: An audit firm may submit no more than one (1) proposal in response to this RFP.

7.2 SPECIAL REQUIREMENTS

- a) Proposals shall be signed by an authorized representative of the firm. All information requested should be submitted. Failure to submit all information requested may result in the firm being required to promptly submit missing information and/or obtaining a lowered evaluation of the proposal. Proposals which are substantially incomplete, or which lack key information may be rejected by UPO.
- b) Proposals should be prepared simply, thoroughly and with as much detail as possible—providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP so that UPO may evaluate properly the firm's capabilities to provide the required services. Emphasis should be placed on completeness and clarity of content
- c) All responses are to be submitted on standard 8.5" X 11" paper in 12pt. font type. Firms shall respond to items in the order shown in the RFP. Proposals should describe the most favorable terms and shall remain firm for 120 days from the RFP opening date. Proposals should be submitted exclusive of all federal, state, and local taxes.
- d) A current District of Columbia license to practice and a current certificate of insurance evidencing coverage of the minimum required in this RFP must be submitted to U P O .
- e) All pages of the proposal should be numbered, and audit firms are required to submit the following items as a complete proposal:
 - i Table of Contents which cross-references the RFP requirements. Information which the firm desires to present that does not fall within any of the requirements of the RFP should be inserted at the appropriate place or be attached at the end of the proposal and designated as additional material.
 - ii A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.
 - iii A detailed proposal that meets the RFP requirement.
 - iv One (1) copy of at least two independent auditor's reports on Audited Financial Statements and OMB Uniform Guidance issued to DC organizations in which the auditing firm's opinion was rendered.
- f) Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
- g) UPO 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 this Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between UPO and the firm selected.

7.3 DETAILED PROPOSAL REQUIREMENTS

a) Technical Proposal

- i. The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of UPO in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than form. The proposal should demonstrate the qualifications of the auditing firm, the qualifications and experience of the key staff to be assigned to this engagement.
- ii. The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. Audit firms will be required to provide the following information on their audit approach:
 - ♦ Proposed segmentation of the engagement
 - ♦ Level of staff and number of hours to be assigned to each proposed segment of the engagement.
 - ♦ Approach to be taken to gain and document an understanding of UPO's internal control structure.
 - ♦ Approach to be taken in determining laws and regulations that will be subject to audit test work.
 - ♦ Approach to be taken in drawing audit samples for purposes of tests of compliance.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.

- iii. The firm should provide an affirmative statement that it is independent of UPO as defined by AICPA Ethical Standards section 101, applicable state CPA society standards, and GAO Yellow Book provisions on auditor's independence.
- iv. The firm should also list and describe the firm's employees, or consultants' relationships involving UPO or any of its sub-recipients and delegate agency for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give UPO written notice of any professional relationships entered into during the period of this agreement.
- v. An affirmative statement should be included indicating that the firm is qualified to practice in the District of Columbia.
- vi. The proposal should state the size of the firm, the size of the firm's governmental 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 staff to be so employed on a part-time basis, if any.
- vii. The firm shall provide information on the results of the firm's latest federal or state desk reviews or field reviews of its audits. 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 three (3) years with state regulatory bodies or professional organizations.
- viii. 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 such persons are licensed to practice as certified public accountants in the District of Columbia. The firm also should indicate how the quality of staff over the term of the agreement will be assured. The firm should identify the extent to which its staff reflects UPO's commitment of Affirmative Action.
- ix. Engagement partners, managers, other supervisory 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 UPO. UPO retains the right to approve or reject replacements.

- x. Consultants and firm specialists mentioned in response to this Request for Proposals can only be changed with the express prior written permission of UPO, which retains the right to approve or reject replacements.
- xi. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.
- xii. For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
- xiii. The proposal shall 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 UPO.

b) Price Proposal

- i. The firm shall complete the attached Appendix A – Price Proposal Schedule.
- ii. The proposal shall include a total all-inclusive maximum price to include all direct, indirect costs, and all out-of-pocket expenses. Also, it should include the number of hours required for each staff level. UPO will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.
- iii. If it should become necessary for UPO to request the audit firm to render any additional services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between UPO and the firm. Any such additional work agreed to between UPO and the firm shall be performed at the same rates set forth in Appendix A.
- iv. Ownership of all data, materials and documentation originated and prepared for this RFP by any firm shall belong exclusively to UPO.

8. EVALUATION CRITERIA

8.1 GENERAL

All proposals will be reviewed to determine if they adhere to the format and instructions of the RFP, meet the criteria indicated below and conform to the objectives and requirements of the RFP. An evaluation team will evaluate the merit of proposals received in accordance with criteria outlined in this RFP. Incompleteness, significant inconsistencies, or inaccuracies found within a response may result in a reduction of the evaluation rating. UPO reserves the right to a) waive variances or reject any or all proposals and b) request clarifications from any or all respondents. Further, UPO reserves the right to reject any or all proposals and to waive informalities and minor irregularities and to accept any portion of a proposal or all items proposed if deemed to be in the best interest of UPO. Proposals shall be rejected if they: (1) are received after closing date and time, (2) contain alterations not initialed by an authorized official, (4) are not meeting or taking exception to required terms and conditions, (4) are not meeting specifications.

The following criteria will be utilized in the evaluation of proposals:

- a) The audit firm is independent and licensed to practice in the District of Columbia
- b) The audit firm's professional personnel have received adequate continuing professional education within the preceding three years
- c) The firm has no conflict of interest with regard to any other work performed by the firm for UPO
- d) The firm submits copy of its most recent peer review report, and it has a record of quality audit work
- e) There was no disciplinary action taken against the firm by AICPA, SEC, State Licensing Agencies or other related agencies
- f) The firm adheres to the instructions within this Request for Proposals in preparing and submitting the proposal
- g) The firm has submitted one copy of at least two audited financial statements and OMB Uniform Guidance reports issued by similar-sized not-for-profits in which the firm's opinion is contained
- h) Service Delivery Plan:
Proposal shall describe how the firm intends to conduct the audit in the first year versus subsequent years. Describe the service delivery system including what will be done, by whom, how and where. Provide detail on staffing requirements. Describe how the services will be coordinated and monitored and how access to them will be ensured through entrance conferences, progress reporting, and exit conferences. Describe how your firm would manage the process of transition to a new service provider.
- i) Qualifications and Experience
 - The firm's past experience and performance on comparable government funded not-for profit organization engagements.
 - The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
 - Experience with the audit of federal awards schedule and preparation of related reports.
- j) Cost will be considered in the evaluation. However, it will not be the primary factor in the selection of an audit firm.

8.4 ORAL PRESENTATION

Audit firms who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to UPO. This provides an opportunity for the firm to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. UPO will schedule the time and location of these presentations. Oral presentations are an option of UPO and may or may not be conducted. Not all firms may be asked to make such oral presentations.

8.3 SMALL AND MINORITY FIRMS

Pursuant to Federal Procurement Regulations and UPO's procurement policy, UPO will offer contracting opportunity for small and minority firms, women's business enterprises and labor surplus area firms to the extent possible.

8.4 ANTICIPATED SELECTION DATE

The evaluation committee will make recommendations to the Audit Committee of UPO's Board. The

Committee may request an oral presentation from the firm(s). It is anticipated that a firm will be notified of selection on or about October 25, 2022. Following the notification, it is expected that a contract will be executed between UPO and the selected firm on or about November 01, 2022.

9. OTHER IMPORTANT INFORMATION

9.1 INFORMAL COMMUNICATIONS

From the date of receipt of this RFP by each audit firm until a binding contractual agreement exists with the selected audit firm and all other audit firms have been notified; or when UPO rejects all proposals; informal communications regarding this procurement shall cease. There shall be no requests from audit firms to any Office or Department at UPO with the exception of contact for specific information, comments, etc.—and this contact shall be written or emailed.

9.2 FORMAL COMMUNICATIONS

From the date of receipt of this RFP by each audit firm, until a binding contractual agreement exists with the selected audit firm, and all other audit firms have been notified; or when UPO rejects all proposal; all communications between UPO and the audit firms will be formal or as provided for in this RFP or as requested by Contact.

9.3 RFP ADDENDUM

If it becomes necessary to revise this RFP, in whole or in part, an addendum will be provided at UPO's website [<http://www.upo.org/work-with-us/#rfp>]

9.4 COMPLETED PROPOSALS

The proposal shall be completed and signed by an individual who is authorized to bind the firm. By submitting a proposal, the audit firm represents that:

- a) The audit firm has read and understands the request for proposal and submits the response in accordance therewith.
- b) The audit firm possesses the capabilities, equipment, and personnel necessary to provide an efficient and successful service.
- c) The audit firm has all required licenses and insurance.

9.5 WITHDRAWAL OF PROPOSAL

At any time prior to the hour and date set for submitting proposals, an audit firm may withdraw its proposal. This will not preclude the submission of another proposal prior to the deadline set for submitting proposals. After the scheduled time and date for submitting proposals, no audit firm will be permitted to withdraw the proposal unless the award is delayed for a period exceeding 60 days.

9.6 RECEIPT AND OPENING OF PROPOSALS

Audit firms are responsible to assure their proposal is sent to UPO by the scheduled date and time. Only those proposals which are received in a timely fashion as set forth in this RFP will receive consideration. Proposals received after the date and hour designated are automatically disqualified and will not be considered; late arrivals will be dated, marked as received late, and remain unopened. UPO is not responsible if the proposal does not reach the destination specified by the appointed date and time.

APPENDIX A – PRICE PROPOSAL SCHEDULE

Firm Name and Address: _____

\$ Pricing for:	Year 1	Year 2	Year 3	Year 4
Financial Statements				
Single Audit (A-133)				
Retirement Plan				
MLK Audit				
Federal Form 990				
Out-of-Pocket Expenses				
Total Billable Fees and Expenses				

\$ Billing Rates	Y1	Y2	Y3	Y4
Partner				
Manager				
Senior				
Staff				
Administration				
Total				

Total Hours	Y1	Y2	Y3	Y4
Partner				
Manager				
Senior				
Staff				
Administration				
Total:				

Print and Sign: _____

Title: _____

Date: _____

E-Mail: _____

Telephone: _____