



REQUEST FOR PROPOSAL (RFP)
FINANCIAL & COMPLIANCE AUDIT SERVICES

PROPOSAL DUE DATE & TIME:
JULY 29, 2022 – 5PM CST

ATTN: JOSH JIMENEZ
PROCUREMENT MANAGER
joshua.jimenez@cacost.org

COMMUNITY ACTION CORPORATION OF SOUTH TEXAS
204 E. FIRST ST.
ALICE, TX 783

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204 E. First St. • Alice, TX 78332 • Ph. 361.664.0145

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INTRODUCTION

The Community Action Corporation of South Texas (CACOST) is a private non-profit organization established in 1971 and funded through federal, state and local grants with an annual operating budget which exceeds \$56 million per year. The mission of Community Action Corporation of South Texas is to continuously improve the lives of South Texans by providing high-quality healthcare, education, housing, and economic opportunities to reduce poverty through services and partnerships.

More information on CACOST can be obtained by visiting the CACOST website at www.cacost.org.

GENERAL CONDITIONS

Purpose

CACOST is seeking proposals from highly qualified individuals or accounting firms, 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 “Proposer”, to perform a financial and compliance audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Singular Audit Circular.

Submission Information

Closing date:

RFP must be submitted no later than **5PM CST – July 29, 2022**.

Inquiries & Contact Person:

All questions concerning this RFP packet should be directed to Josh Jimenez, Procurement Manager, at joshua.jimenez@cacost.org. Correspondence with individuals other than those listed herein will not be allowed. From the issuance date of this RFP, until a firm/individual is selected, and the selection is announced, Proposers are not allowed to communicate regarding this RFP with any CACOST director, employee, or consultant. Any inquiry regarding this RFP must be directed to the contact listed above. CACOST reserves the right to disqualify any Proposer who is found in violation of this provision. No questions other than written via email will be accepted, and no response other than written will be binding upon CACOST.

Costs of Submission Preparation:

All costs incurred in the preparation of responding to this RFP will be the sole responsibility of the Proposer and will not be reimbursed by CACOST. Unless otherwise stated, all materials submitted by Proposer in response to this RFP shall become the property of CACOST.

Submission Instructions to Vendors:

To be considered responsive and receive an evaluation, RFP must fully address all sections of the RFP. Your RFP should be addressed as follows:

Community Action Corporation of South Texas
RFP for Financial & Compliance Audit Services
ATTN: Josh Jimenez, Procurement Manager
204 E. First St.
Alice, Texas 78332
OR via email to joshua.jimenez@cacost.org

It is the responsibility of the Proposer to ensure that the proposal is received by the date and time specified above. **LATE PROPOSALS WILL NOT BE CONSIDERED.** Confirmation of receipt is the sole responsibility of the Proposer. RFP submissions may include value-added alternatives and any relevant information in addition to the information requested in the RFP.

Notification of Award:

CACOST anticipates but does not guarantee that a contract or multiple contracts will be awarded on August 12, 2022. Award will be made to the Proposer(s) based on the listed evaluation criteria and the responses that are most compatible with CACOST's needs. CACOST will be the sole judge in making this determination.

CACOST is not bound to accept the lowest bid, nor any proposal submitted. A contract for the approved proposal will be drafted based upon the factors described in this RFP. The awarded contract will be for an initial one-year term, with an option to renew for up to four additional years at the discretion of CACOST.

Expected Timelines:

The following set dates are firm and shall not be waived unless specified in writing by the Executive Director, Ann Awalt:

Event	Date(s)
RFP Publication Date	July 12, 2022
Final Date for Inquiry Submission	July 19, 2022
Q&A Document Publication Date	July 21, 2022
Final Date for Proposal Submission	July 29, 2022
Announcement Date of Intent to Award	August 12, 2022
Estimated Contract Start Date	August 26, 2022

ADMINISTRATIVE INFORMATION

Background Information

Community Action Corporation of South Texas is a private non-profit organization funded by federal, state and local grants with an estimated budget of \$56 million in funds and match. The accounting department staff is made up of Twenty (20) individuals: A Director of Accounting, two Lead Accountants, four Staff Accountants, one Benefits Assistant, one Benefits Manager, one Payroll Coordinator, one Accounts Payable Manager, four Accounts Payable Clerks, one Procurement Manager, three Purchasing Clerks, and one Accounting Clerk.

Schedule of Government Funds by Grant to be Audited

Program	Funding Source	Pass-thru (if applicable)	Program Budget
Community Services Block Grant (CSBG) – FYE 2021	Department of Health & Human Services	Texas Department of Housing & Community Affairs	\$325,567
Community Services Block Grant – CARES Act (CSBG)	Department of Health & Human Services	Texas Department of Housing & Community Affairs	\$428,768
Community Services Block Grant – Discretionary (CSBG-DISC)	Department of Health & Human Services	Texas Department of Housing & Community Affairs	\$27,620
Texas Eviction Diversion Program (TEDP)	Department of Health & Human Services	Texas Department of Housing & Community Affairs	\$239,735
Emergency Rental Assistance Round 1 (ERA-1) Program – Housing Stability Services and Other Financial Assistance	Department of the Treasury	Texas Department of Housing & Community Affairs	\$1,057,190
Low Income Home Energy Assistance Program (LIHEAP-Weatherization) – FYE 2021	Department of Health & Human Services	Texas Department of Housing & Community Affairs	\$2,115,761
Department of Energy (DOE) Weatherization – FYE 2022	Department of Energy	Texas Department of Housing & Community Affairs	\$757,316

Comprehensive Energy Assistance Program (CEAP) – FYE 2021	Department of Health & Human Services	Texas Department of Housing & Community Affairs	\$6,005,392
Comprehensive Energy Assistance Program (CEAP) – CARES Act	Department of Health & Human Services	Texas Department of Housing & Community Affairs	\$4,134,732
Comprehensive Energy Assistance Program (CEAP) – American Rescue Plan	Department of Health & Human Services	Texas Department of Housing & Community Affairs	\$5,493,264
Veteran’s Rental Assistance Program	Texas Veterans Commission		\$300,000
Hogg Foundation	Hogg Foundation for Mental Health		\$180,779
Head Start Program	Department of Health & Human Services		\$18,742,772
Head Start Cares Program (Head Start COVID)	Department of Health & Human Services		\$382,945
Head Start American Rescue Plan (Head Start ARP)	Department of Health & Human Services		\$972,729
Head Start Coronavirus Response & Relief Supplemental Appropriations (Head Start CRRSA)	Department of Health & Human Services		\$174,814
Childcare Food Program (CACFP)	United States Department of Agriculture	Texas Department of Agriculture	\$1,270,766
South Texas Teen Leadership & Development (STTLD)	Department of Health & Human Services		\$999,100
Healthy Adolescent Relationships Today Project (SRAE)	Department of Health & Human Services		\$351,715
Breast & Cervical Cancer Services (BCCS)	Department of Health & Human Services	Texas Health & Human Services Commission	\$236,237
Title III (Home Delivered Meals)	Department of Health & Human Services	Texas Health & Human Services Commission, Area Agencies on Aging	\$329,177

Title III (Congregate)	Department of Health & Human Services	Texas Health & Human Services Commission, Area Agencies on Aging	\$266,463
Title III (Transportation)	Department of Health & Human Services	Texas Health & Human Services Commission, Area Agencies on Aging	\$15,364
Title XX (Senior Nutrition Program)	Department of Health & Human Services	Texas Health & Human Services Commission, Area Agencies on Aging	\$726,025
Star Plus (Senior Nutrition Program)			\$216,603
Texans Feeding Texans	Department of Agriculture	Texas Department of Agriculture	\$64,253
Early Childhood Intervention (ECI)	Department of Health & Human Services	Texas Health & Human Services Commission, Dept of Assistive & Rehabilitative Services	\$13,446,996
Community Health Center (CHC)	Department of Health & Human Services		\$15,195,208
Primary Health Care	Health and Human Services Commission		\$593,409
Provider Relief Fund	Department of Health & Human Services		\$1,446,487
American Recue Plan Act Funding for Health Centers	Department of Health & Human Services		\$3,548,125
American Rescue Plan Capital Grant	Department of Health & Human Services		\$676,803
Comprehensive Healthcare for Adolescents Initiative (CHAI)	Texas A&M University		\$125,000
Health Center Coronavirus Aid, Relief, and Economic Security Act Funding (CARES)	Department of Health & Human Services		\$867,650
FY2020 Expanding Capacity for Coronavirus Testing (ECT)	Department of Health & Human Services		\$339,424
Provider Relief Fund ARP Rural	Department of Health & Human Services		\$620,908.21
Provider Relief Fund Phase 4	Department of Health & Human Services		\$361,407.86

Description and Magnitude of Accounting Records

CACOST's accounting records are on a modified accrual basis using an accounts payable system. Its annual payroll is approximately \$28 million with an average of 700 employees.

Description of Computer System

CACOST's fund accounting records are maintained in a computerized network system. The fund accounting software used is Abila MIP Accounting Software for Not-For-Profit Organizations (MIP) operated through PCs.

Fiscal period to be audited

The period to be audited is February 1, 2021, through January 31, 2022.

Availability of Prior Audit Reports and Working Papers

The last audit was performed by Juaquin "Jake" Sanchez, CPA. The period covered February 1, 2020, through January 31, 2021. Previous audit working papers are available to the awarding contract for inspection and are located at 2820 S.P.I.D., Suite 198-Box 134, Corpus Christi, Texas 78415.

Working Paper Retention Requirements

Audit working papers will be retained for at least three (3) years (unless notified to extend the period), from the date of the audit report.

Requirements for Making Work Papers Available to the Cognizant Agency

Audit working papers will be available for examination by representatives of the cognizant federal audit agency, the State, or any other duly authorized representative.

ADDITIONAL TERMS & CONDITIONS

Confidentiality

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

Limitations and Reservations

CACOST reserves the right to negotiate the terms and conditions of the contract with any of the evaluated Proposers. Should the successful Proposer and CACOST fail to come to an agreement CACOST may at its sole discretion award work to any of the remaining Proposers. The Proposer to whom the contract is awarded shall be required to enter into a written contract with CACOST. This RFP and the proposal, or any part thereof, shall be incorporated into and made a part of the final contract.

This RFP does not commit CACOST to award a contract, to pay any costs incurred for the preparation of proposals or to procure or contract for any services.

CACOST specifically reserves the right to vary the provisions set forth herein any time prior to the execution of a contract where such variance is deemed to be in the best interest of the needs of CACOST.

If selected for negotiations, the Proposer may be required to prepare and submit additional information prior to final Proposer(s) selection, to reach terms for the provision of services, which are agreeable to both parties.

Small, Women and/or Minority-Owned Business

Efforts will be made by CACOST to utilize small businesses, women, and minority-owned business, with the consideration that the primary responsibility is the most favorable return to CACOST. A Proposer 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).

Historically Underutilized Businesses

It is CACOST policy to encourage participation of small and historically underutilized businesses (HUBs), as defined in Government Code, Chapter 2161. "Historically underutilized business (HUB): means an entity with its principal place of Business in this state that is:

1. a corporation formed for the purpose of making a profit in which 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation's control, operation, and management;
2. a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person;
3. a partnership formed for the purpose of making a profit in which 51 percent or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership's control, operation, and management;
4. a joint venture in which each entity in the venture is a historically underutilized business, as determined under Government Code Chapter 2161; or
5. a supplier contract between a historically underutilized business as determined under Government Code Chapter 2161 and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.

Equal Opportunity

It is the policy of CACOST not to discriminate on the basis of race, color, creed, gender, religion, marital status, age, national origin, or ancestry, physical or mental disability, medical condition, sexual orientation, political affiliation or belief or any other consideration made unlawful by applicable federal, state or local laws. Contractor agrees not to discriminate against any employee or applicant for employment to be employed in the performance of this Agreement, with respect to hiring, tenure, terms, conditions, and privileges of employment, or a matter directly or indirectly related to employment, because of age or race, color, creed, gender, religion, marital status, age, national origin, or ancestry, physical or mental disability, medical condition, sexual orientation, political affiliation, or belief. Contractor further agrees that every subcontractor entered into for the performance of the Agreement shall contain a provision requiring non-discrimination in employment herein specified binding upon each subcontractor. Breach of the covenant may be regarded as a material breach of the Agreement.

Steven's Amendment

This project will be supported by the Department of Health and Human Services Health Resources and Services Administration (HRSA) and the U.S. Departments of Health and Human Services as part of awards totaling \$48,825,419 with 47% funded by non-government sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, Administration for Children and Families, ACYF-FYSB, HHS or the U.S. Government

The project described was supported by Grant Number 1 TP1AH000247-01-00 from the HHS Office of Population Affairs. Contents are solely the responsibility of the authors and do not necessarily represent the official views of the Department of Health and Human Services or the Office of Population Affairs.

Prohibited Substances in the Workplace

The contractor is considered a representative of CACOST while carrying out the duties of the contract. CACOST has a policy that prohibits the possession and/or use of alcohol or illegal drugs when conducting CACOST business. If the contractor is observed engaging in this type of behavior while performing any aspect of the contract, termination of the contract will occur.

Debarment and Suspension

The contractor certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

Disclosure of Pending Government Investigations

It is the responsibility of the Proposer to disclose any ongoing or pending legal proceedings, including any such proceedings known to be contemplated by governmental authorities, that could affect the performance of the Proposer or the execution of any potential contract. Failure to disclose this information or any efforts to omit such information may result in the disqualification of the offending Proposer's bid and/or termination of contract.

TECHNICAL QUALIFICATIONS

Prior Auditing Experience

The Proposer should describe its prior auditing experience including the names, addresses, contact persons, telephone numbers, program type and budget amount and periods of prior organizations audited. Experience should include the following categories:

- 1) Prior experience auditing Community Action Agencies.
- 2) Prior experience auditing similar programs funded by a state agency.
- 3) Prior experience auditing similar programs funded by the Federal Government.
- 4) Prior experience auditing nonprofits and other organizations.

Organization, Size, and Structure

The Proposer should describe its organization, size (in relation to audits to be performed), and structure. The description should include:

1. Size of the Proposer, including number of employees and physical site locations.
2. Explanation of independence.
3. Any conflicts of interest that exist.
4. Results of peer review and a copy of the report.
5. Explanation if the Proposer is a small or minority-owned business or women's business enterprise.

Staff Qualifications

The Proposer should describe the qualifications of staff to be assigned to the audit. Descriptions should include:

- 1) The 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 the firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

Understanding of Work to be Performed

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

SCOPE OF SERVICES

Auditing Standards to be Followed

The auditor shall perform an organization-wide audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States;

and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Singular Audit Circular.

Specific Scope of Audit Work to be Performed

The auditor shall determine whether:

- 1) The financial statements of CACOST fairly present its financial position, and the results of its financial operations are in accordance with generally accepted accounting principles;
- 2) The organization has internal accounting and other control systems to provide reasonable assurance that it is managing federal financial assistance programs in compliance with applicable laws and regulations; and
- 3) The organization has complied with laws and regulations that may have a material effect on its financial statements and each major Federal assistance program.

Number and Types of Reports Required

The audit report will include all opinions and statements required to comply with the OMB (Office of Management and Budget) Compliance Supplement, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Singular Audit Circular. The following is a list of auditor's reports and statements required for compliance, as well as additional statements, schedules, or reports that may be required by individual funding agencies of the federal government:

- 1) Auditor's opinion on CACOST's organization-wide financial statements.
- 2) Organization-wide financial statements and notes to the financial statements:
 - a. Statement of Financial Position
 - b. Statement of Activities
 - c. Statement of Cash Flows
 - d. Statement of Functional Expenses
 - e. Notes to Financial Statements
- 3) Report on Compliance and Internal Control Structure Over Financial Reporting Based on an audit of Financial Statements Performed in Accordance with Government Auditing Standards.
- 4) Report on Compliance with Requirements applicable to each major program and Internal Control over Compliance in Uniform Guidance 2 CFR, Part 200.
- 5) Schedule of Federal, State, and other Financial Awards.
- 6) Supplementary Schedule of Funds.

- 7) Preparation of Data Collection Form.
- 8) Preparation of Form 990.

Exit Conference Requirements

CACOST requires frequent progress reporting along with an audit exit conference. The contact person for setting up the meetings shall be the Director of Accounting. The Director of Accounting shall set up the meeting, state where the meeting is to be held and persons attending the meeting.

PROPOSAL INFORMATION

The following information must be provided from all respondents:

- 1) An affirmation that the proposer is a licensed Certified Public Accountant (CPA).
- 2) An affirmation that the proposer meets the independence standards of the General Accounting Office (GAO), Government Auditing Standards (GAS), and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Singular Audit Circular.
- 3) An affirmation that the respondent does not have a record of substandard audit work.
- 4) The number and type of audits performed recently and any audits that were performed on agencies similar to CACOST in scope and size.
- 5) A copy of the firm's most recent peer review report.
- 6) Resume of auditing staff including qualifications of staff.

Review Process

In compliance with Uniform Guidance 2 CFR Part 200.319 – Competition, CACOST has conducted this procurement in manner that prohibits the use of statutorily or administratively imposed state of geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference.

CACOST may, at its discretion, request presentations by or meetings with any or all Proposers to clarify or negotiate modifications to the Proposers' proposals.

However, CACOST 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, that the Proposer can propose.

CACOST contemplates awarding the contract to the responsible Proposer with the highest total points.

Right to Reject the Proposal

CACOST reserves the right to reject any proposals submitted, any incomplete proposals, and to request any additional information from all proposers. The contract award will be made to the independent public accountant which, based on an evaluation of all responses and oral interviews, if necessary, is determined to be the best qualified to do the audit.

CONTRACTUAL INFORMATION

Contract Type and Cost and Arrangement

CACOST's contract shall be based on a labor-hour contract. The ceiling price bid submitted shall also provide for the printing, typing, and delivery of 30 copies of the completed audit report.

Evaluation and Award of Proposals

Evaluation of each RFP will be based on the factors identified below:

Factors	Points
1. Prior Experience auditing:	25
a. Community Action Agencies	
b. Similar programs funded by State Agencies	
c. Similar programs funded by the Federal Government	
d. Non-Profit and other organizations	
2. The organization, size, and structure of Proposer's firm. (Considering size in relation to audits to be performed.)	25
a. Adequate size of the firm	
b. Minority/small business	
c. Peer review report content	
3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in the firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered.	25
a. Audit Team makeup	
b. Overall supervision to be exercised	
c. Prior experience of the individual audit team members	
4. Proposer's understanding of work to be performed	10
a. Adequate coverage	
b. Realistic time estimates of each audit step	
5. Price	15
Maximum Points	100

In accordance with applicable laws, rules and regulations for public purchasing, an award will be made to the responsible Proposer whose proposal is determined to be the best value to CACOST. The proposal must be submitted on time and must materially satisfy all mandatory requirements identified above to qualify for evaluation. A written acceptance mailed or otherwise furnished to the qualified proposer and a fully executed contract is required prior to commencement of any work under this RFP. Protest procedures are available upon request and must be submitted within ten (10) business days of Intent of Award notification for consideration.