

Request for Proposal Independent Audit Services Housing Authority of the City of New Bern

The Housing Authority of the City of New Bern (NBHA) herein solicits Request for Proposal (RFP) from qualified, licensed, responsible firms interested in providing NBHA's External Annual Audit in accordance with the requirements of the U.S. Department of Housing and Urban Development (HUD). The purpose is to provide independent audit services for the organization. Proposal packages will be provided upon request by email to Arlene Livingston, Finance Director, at alivingston@newberna.com. "2018 Audit RFP" must be indicated in the subject line.

Each Proposer should submit an original and three (3) copies of its Proposal to NBHA, attention: Martin C. Blaney, Executive Director, PO Box 1486 New Bern, NC 28563.

Proposals will be accepted until 4:00pm Eastern Standard Time (EST) March 29, 2019. Proposals must be clearly marked – "Request for Proposal – Independent Audit Services"

Any Proposals received after the specified time and date will not be considered. All proposals must be received, on or before the above specified time and date. Proposals may be hand delivered to Trent Court Administrative Office, 5th Floor New Bern Towers, 1125 Walt Bellamy Drive New Bern, NC 28562, or mailed to PO Box 1486 New Bern, NC 28563. If mailed, the Proposal must be sent via certified mail and must arrive by the specified time, regardless of the post mark date. **NO EXCEPTIONS.**

By submission of a Proposal the Contractor agrees, if its Proposal is accepted, to enter into a contract with the Housing Authority to complete all work as specified or indicated in the contract documents for the contract price and within the contract time indicated in the attached RFP. The Proposers further accept all the terms and conditions of the RFP.

Proposals should be prepared in accordance with instructions contained within the RFP and should remain valid for thirty (30) days. NBHA will not be liable for any cost incurred in the preparation of proposals. Proposals shall be evaluated by NBHA as stated in the evaluation factors noted in the RFP. Oral presentation, if deemed necessary by NBHA, will be scheduled at a mutually agreeable date and time. NBHA reserves the right to request additional information concerning any and/or all Proposals submitted. **NOTE: NBHA reserves the right to reject any or all proposals if such action is in the best interest of the Housing Authority and to waive any and all informalities and minor irregularities. NBHA reserves the right to cancel this solicitation for any reason it deems is in the best interest of the agency.**

TABLE OF CONTENTS

INTRODUCTION	NOTICE OF INTENT
SECTION A	TYPE OF CONTRACT
SECTION B	QUESTIONS AND ADDITIONAL INFORMATION
SECTION C	STATEMENT OF WORK
SECTION D	EVALUATIONS
SECTION E	INSTRUCTIONS TO PROPOSERS

REQUEST FOR PROPOSALS
INDEPENDENT AUDIT SERVICES

NOTICE OF INTENT TO RECEIVE PROPOSALS

The A-133 audit of the Housing Authority of the City of New Bern (NBHA) shall be conducted in accordance with the Single Audit Act, the Standards of Audit for Governmental Organizations, Programs, Activities and Functions, 24 CFR Part 990, and all other relevant regulations. NBHA is requesting audit proposals for fiscal years ending December 31, 2018 and 2019 with renewal option for the fiscal year ending December 31, 2020.

NBHA is a Housing Authority under the laws of the State of North Carolina. The purpose of the Authority is to engage in the establishment, development, acquisitions, leasing and administration of Public and Senior Housing programs. NBHA has less than 30 employees and manages 110 public housing units and 106 project-based Section 8 units. On September 14, 2018, 108 units were severely damaged by Hurricane Florence. These units were rendered uninhabitable.

SECTION A

Type of Contract

The Housing Authority of the City of New Bern's acceptance of proposal will result in a firm fixed price contract. The term of this contract shall be two (2) years from date of award. This contract may be renewed for an additional one-year period by mutual consent of both parties up to a total contract maximum term of three (3) years. The contract will be subject to termination upon one hundred twenty (120) days advance notice. If Proposer does not execute a contract within thirty (30) days after such award, NBHA may give notice to such Proposer of intent to award the contract to the next ranked Proposer or to call for new proposals.

SECTION B

Question and Additional Information

Any questions pertaining to this RFP must be received in writing and addressed to Martin C. Blaney, Executive Director, Housing Authority of the City of New Bern, PO Box 1486 New Bern, NC 28563. Bids shall be due by 4:00 pm (EST), March 29, 2019.

Copies of any proposed modifications to this RFP will be provided to all proposers who receive a copy of this RFP from NBHA no later than five days prior to the Proposal submission date and all such modifications shall become part of this RFP.

SECTION C

Statement of Work

Auditor will conduct an audit that covers the Authority's financial statements, internal control systems, and compliance with laws, regulations, and contract provisions or grant agreements that may have a direct and material effect on each of its major programs. The audit shall be performed in accordance with the following standards and guidelines:

1. Generally Accepted Auditing Principles (GAAP) promulgated by the American Institute for Certified Public Accountants (AICPA).
2. Generally Accepted Government Auditing Standards (GAGAS) as published by the Government Accounting Office (GAO).
3. The provisions of the Single Audit Act of 1984 as amended and as prescribed by the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Government, and Non-Profit Organizations.
4. The Federal compliance Supplement for Single Audits for State and Local Governments.
5. Auditing and reporting provisions of the applicable HUD Audit Guide for Lower Income Housing Program for use by Independent Public Accountants.
6. Any applicable requirements promulgated and adopted by the Federal Government and/or State of North Carolina including individual grantor agency rules and regulations.
7. Any applicable requirements of the Governmental Accounting Standards Board (GASB).
8. Any and all other applicable local, State and Federal regulations.

9. Close out of the Capital Funds Program grant will require closeout audit along with the current year activity of approximately \$100,000.
10. The Authority has two (2) 501c3 entities that are to be included in the scope of audit as follows.

1. Transformation Venture Capital (TVC – an affiliate)
2. Better Vision Housing (BHV – an instrumentality)

Both entities had minimal activity during 2015 audit and more than likely will have to be reported as blended components units for the 2018 audit.

The Single Audit reporting package will be submitted to the Single Audit Clearinghouse, the U.S. Department of HUD, and NBHA's Board of Commissioners. The report will consist of the following items and any other pertinent information required as part of the HUD REAC GAAP flyer #6 and the Single Audit Act A-133, or as required by HUD. The auditor shall comply with all applicable authoritative guidance to include but not limited to:

- a. SAS
- b. SSAE No. 4
- c. GASB 33, 34, 63 and 65

It will be the responsibility of the chosen audit firm to prepare the Financial Statement, Schedules, Notes, etc., into a single PDF file, to prepare and deliver twenty-five (25) hard bound copies to the Authority, and to attend and present the report to NBHA's Board of Commissioners and its Audit committee on Monday, September 16, 2019.

The report will contain the following information at a minimum:

1. Introductory Section
2. Management's Discussion and Analysis
3. Required Financial Statements (including all applicable footnotes)
4. Footnotes on the Summary of Significant Accounting Policies and Federal Non-cash Assistance.
5. Auditor's opinion on the financial statements and required supplementary schedules, (Schedule of Grant Costs, Financial Data Schedule, et al.)
6. Report on Compliance and on Internal Control Over Financial Reporting based on an audit of financial statements performed in accordance with Government Auditing Standards (GAS) and/or Generally Accepted Auditing Standards (GAAS).
7. Report on Compliance with requirements applicable to each "major program" and internal control over compliance in accordance with OMB Circular A-133.
8. Schedule of Expenditures of Federal Awards and any applicable notes.
9. Schedule of Findings and Questioned Costs (includes "summary of auditor's results" and findings in the current and prior year audits).
10. Statistical Schedules
11. Corrective Action Plan

The Auditor will be responsible for the certification of the following reports.

1. Financial Data Schedules (FDS)
2. Data Collection Form (DCF)
3. Local Government Commission (LGC 203)

The Authority wishes the audit to commence by June 17, 2019 and to be completed by August 30, 2019. Auditor's opinions are to be delivered by September 16, 2019. In addition, a report including all findings and management points must be reviewed with the Authority during an exit conference. All adjusting entries must first be reviewed with the CFO before completion of fieldwork.

SECTION D

D-1 Evaluation Factors

The following factors will be used to evaluate RFP responses as described below. Specific evaluation criteria to evaluate the technical qualifications of each proposer and their degree of importance/relative weight are as follows:

- Mandatory Requirements (5 points)
 - a) The audit firm is independent and licensed to practice in North Carolina.
 - b) Staff has maintained CPE requirements.
 - c) Firm is not currently being censored by REAC.
 - d) The audit firm submits a copy of the most recent peer review and has a record of quality audit work.
 - e) References from at least three (3) other current or recent PHA clients comparable in size to NBHA.

- Technical Capabilities (15 points)
 - a) Staffing on key positions, method of assigning work, and procedures for maintaining level of service.

- Technical Approach (15 points)
 - a) Labor categories, estimated hours and skill mix

- Demonstrated Experience (15 points)
 - a) Past experience and performance with similar engagements and experience of site auditors conducting public housing audits as verified by reference checks and other reasons.

- Audit Approach (20 points)
 - a) Work plan, time and staff onsite, electronic capabilities, responsiveness and availability.

- Fee for service (30 points)

The evaluation and selection of an audit firm will be based on the information submitted in the audit firm's proposal, references obtained, and any required on-site visits or oral presentations. Failure to respond to each of the requirements in the RFP may be the basis for rejecting a proposal.

D-2 Evaluation Method

Proposals submitted in response to this RFP will be evaluated by a review committee. The review committee shall evaluate the responsive proposals submitted and award points according to the Evaluation Factors.

After evaluation of proposals, the Executive Director shall make a recommendation to the Board of Commissioners. The Board of Commissioners will make the final selection of the firm to be awarded the contract. The contract shall be awarded to the responsible firm whose qualifications, price and other factors considered, are the most advantageous to NBHA.

If an award is completed, all proposers will receive a written Notice of Results of Evaluation. Such notice shall inform all proposers of:

- Which proposers received the award;
- Where each proposer placed in the process as a result of the evaluation of the proposals received;
- Each proposer's right to a debriefing and to protest.

SECTION E

E-1 Instructions to Proposer

Proposal Requirements:

- Information concerning your firm and the name of the contract partner and staff persons who will be assigned to perform the audit. You should indicate the prior audit experience of staff, including specifically their experience auditing public housing authorities and HUD grants. Please submit resumes for all staff to be assigned to this audit.
- References pertaining to the public housing authority audit clients for which your firm has been the auditor of record and who have permitted the listing of their names as a reference. Please indicate the nature of the work performed for these clients as well as the time frame and the size of the Authority.
- Please include in your proposal the last peer review report and a certification that your firm is licensed to perform audits in North Carolina.
- A statement indicating the amount of assistance your firm will expect from the Housing Authority of the City of New Bern accounting staff. Please list all anticipated requirements if the Housing Authority accounting staff will be asked to prepare audit schedules.
- A description of insurance coverage maintained by the firm. Please provide a copy of the declaration page from current policies for Worker's Compensation, General Commercial Liability and Professional Liability, Malpractice and Errors and Omissions insurance coverage.
- Certification that your firm is in compliance with the Equal Employment Opportunity requirements
- A breakdown of time by staff level and computation of the audit fee including expenses used in your proposal. The computation should show the amount of time required and rate used by each level of staff you expect to use on the audit.

- Availability of a staff throughout the fiscal year and proposed charges (if any) for assistance with issues and questions that arise regarding issues that could have an impact on financial statements.

The computation should be in the following format:

LEVEL OF SERVICE	RATE PER HOUR	ESTIMATED HOURS	AMOUNT
Partner			
Manager			
Senior Staff			
Intermediate Staff			
Staff Assistant			
Support Staff			
Expenses			
TOTALS			

You must include a firm-fixed fee for the proposal work for each fiscal year (FY). The fees submitted are inclusive of all necessary cost to provide the services, including, but not limited to: employee costs and benefits, clerical support, overhead profit, supplies, materials, licensing, insurance, travel expenses, etc.

The contract also requires that you retain the audit working papers to which NBHA or other governmental units may have access for a period of five years. These working papers will also be made available to successor auditors should your firm not be the successful bidder in future years.

No member, officer, or delegate to the NBHA or Commissioner shall be admitted to any share or part of this contract or to any benefit arising from this contract. No members, officers, or employees of the Authority, no member of the governing body in which the Authority was activated, and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the project shall, during his/her tenure or for one year thereafter, have an interest, direct or indirect, in this contract or the proceeds thereof.

E-2 Acceptance to Proposals

Proposals must be signed, sealed and received in completed form to the NBHA Administrative Office temporarily located on the 5th Floor at New Bern Towers, 1125 Walt Bellamy Drive, New Bern, NC 28562, attention: Martin C. Blaney, Executive Director no later than the proposal submission time and date. Proposal will not be accepted after 4:00 pm (EST) on March 29, 2019. Proposals submitted after the designated date and hour will not be accepted for any reason and will be returned unopened to the proposer.

NBHA reserves the right to accept or reject any or all Proposals, issue addenda, take exception to these RFP specifications or to waive any formalities. Proposer may be excluded from further consideration for failure to fully comply with the requirements of the RFP.

E-3 Withdrawal to Proposals

Proposals may be withdrawn by written request prior to the deadline set for acceptance of proposals. Proposals may not be revoked or withdrawn after the time set for opening of proposals and shall remain open for acceptance for a period of thirty (30) days following such time.