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**WASHINGTON HOUSING AUTHORITY
REQUEST FOR PROPOSAL
AUDIT SERVICES FYE 9/30/2023**

SOLICITATION

REQUEST FOR PROPOSAL

Original Date Issued: July 18, 2023, Re-issued 9/29/2023

The Washington Housing Authority (WHA) requests proposals from qualified firms to provide audit services for FYE 9/30/2023.

Information Contacts:

- Larry Russell, Int. Executive Director; (252) 644-2368
- Shannon Alderman, Director of Finance; (252) 644-2413
- Erica Spruill, Executive Assistant; (252) 644-2382

PROPOSAL SUBMISSION

To be considered, proposals **must** be received by October 6, 2023, 4:00 p.m. (EST), at the offices of the Washington Housing Authority, 809 Pennsylvania Avenue, Washington, NC 27889

REQUEST FOR PROPOSALS- Audit Services

Description of the Entity

The Washington Housing Authority (WHA) requests proposals from qualified Independent Public Accounting (IPA) firms to provide IPA audit services for its portfolio of assisted housing and related programs. It is expected that the audit services will be performed in accordance with Generally Accepted Governmental Auditing Standards (GAGAS). The audit also **must** meet all requirements set forth in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), or any successor issuance, and/or any HUD Requirements, which are in effect as of the date of the audit onsite fieldwork.

The Agency was established in 1961 and has 25 employees. The Agency's fiscal year-end is September 30 and the agency is mainly funded by the U.S. Department of Housing and Urban Development (HUD). The Agency is quasi-government and therefore follows Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). For financial statement purposes, the PHA reports each separate program.

The Agency maintains the following programs:

- Public Housing Program. The Agency operates 383 public housing units organized into one (1) asset management project and has not established a Central Office Cost Center (COCC). As part of its housing program, the PHA receives Capital Fund grant awards each year.
- Section 8 Housing Choice Voucher (HCV) Program. The Agency manages 370 HCV vouchers.
- Rural Development. The Agency administers 60 units of low-income housing; a program of the U.S. Department of Agriculture.
- The PHA's federal awards expended based on last year's audit (rounded to thousands) were as follows:
 - CFDA 14.850 Low Rent Public Housing: \$2,047,000
 - CFDA 14.872 Public Housing Capital Fund: \$716,000
 - CFDA 14.871 Housing Choice Voucher: \$1,473,000
 - CFDA 14.870 Resident Opportunity and Supportive Services: \$3,000
 - CFDA 14.896 Family Self-Sufficiency Program: \$48,000
 - CFDA 10.415 Rural Rental Housing: \$344,000

The Agency's financial records and tenant records are maintained on SACS software system. The Agency utilizes the following modules: Tenant Application, Tenant Processing, Tenant Accounts Receivable, Section 8 Receivables, Accounts Payable, Receipt System, Payroll, General Ledger, Work Orders and Purchase Orders. The Agency utilizes the services of a fee accountant, Kubas Keller of Pennsylvania since 2017.

The RFP contains submission requirements, scope of services, period of services, terms and conditions and other pertinent information for submitting a proper and responsive proposal. All proposals submitted in response to this solicitation must conform to all of the requirements and specifications outlined within this document and any designated attachments in its entirety.

Prospective offerors requiring any explanation or interpretation of the solicitation **must** request it in writing no later than **4:00 pm EST on October 4, 2023**. The request **must** be addressed to Shannon Alderman at the following email address: shannon@wha-nc.org. Any information given to a prospective offeror about this solicitation will be furnished to all other prospective offerors as a written amendment to this solicitation.

All responses to the RFP must be enclosed in a sealed envelope and labeled as follows with the specific information: **RFP: WHA, Request for Audit Services**, Due Date and Time: **October 6, 2023, 4:00 pm (EST)**.

The Agency wishes to enter into a fixed fee contract to assure that commitments will be met in a professional, effective, and cost-efficient manner. The Agency intends to award the contract pursuant to a "best value" basis, not a "lowest bid" basis. An evaluation committee shall review and rank each of the offerors' proposals using the method of evaluation described in this request. The committee shall enter into negotiations with the highest ranked proposal first, and if necessary, any or all of the other proposals and submit the list of ranked offerors to the Executive Director. The Executive Director shall make a recommendation to the Board of Commissioners to award a single contract to the most competent, responsive, and responsible offeror in accordance with the proposal evaluation criteria.

The awarded contract will be for two years (September 2023, September 2024) with an option to extend for an additional one year (September 2025).

AGENCY'S RESERVATION OF RIGHTS

The Agency reserves the following rights in association with the RFP process and upon contract award.

1. **Right to Reject, Waive, or Terminate the RFP.** Reject any or all proposals, or terminate the RFP process at any time, if deemed by the Agency, to be in its best interests.
2. **Right to Not Award.** Not to award a contract pursuant to this RFP.
3. **Right to Terminate.** Terminate a contract award pursuant to this RFP, at any time for the Agency's convenience, upon 10 days written notice to the successful offeror(s).
4. **Right to Determine Time and Location.** Determine the days, hours, and locations that the successful offeror(s) shall provide the services called for in the RFP.
5. **Right to Retain Proposals.** Retain all proposals submitted and not permit withdrawal for a period of 90 days subsequent to the deadline for receiving proposals.
6. **Right to Negotiate.** Negotiate the fees proposed by the offeror(s).
7. **Right to Reject Any Proposal.** Reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.
8. **Right to Reject Proposal for Debarment.** In addition, the Agency reserves the right to reject the proposal of any firm who is debarred by HUD from providing services.
9. **No Obligation to Compensate.** Have no obligation to compensate any offeror for any costs incurred in responding to this RFP.
10. **Unauthorized Sub-Contracting Prohibited.** The successful offeror/contractor shall not assign any right, nor delegate any duty for the work proposed pursuant to this RFP (including, but not limited to, selling, or transferring the contract) without the prior written consent of the Agency. Any purported assignment of interest or delegation of duty, without the prior written consent of the Agency shall be void and may result in the cancellation of the contract with the Agency or may result in the full or partial forfeiture of funds paid on the contract, as determined by the Agency.
11. **Project Staffing Changes.** 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. However, in either situation, the Agency retains the right to approve or reject replacements.

SCOPE OF WORK

General Requirements

The Auditor will adhere to the general requirements provided below.

1. **Audit Standards (Single Audit).** It is expected that the audit services will be performed in accordance with Generally Accepted Auditing Standards (GAAS) as set forth by the American Institute of Certified Public Accountants (AICPA) and Generally Accepted Governmental Auditing Standards (GAGAS) as issued by the US Government Accountability Office (GAO). The audit also must meet all requirements set forth in Title 2 U.S. code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), or any successor issuance, and/or any HUD or other Federal agency requirement, which are in effect as of the date of the audit onsite fieldwork.
2. **State Requirements.** Any state audit requirements and procedures are expected to be properly performed and completed as part of this scope of work.
3. **Audit Report.** The auditor will provide one (1) original unbound, one (1) electronic and 10 bound copies of the audited financial statements including the Single Audit report to the Executive Director.
4. **Retention of Work Papers.** The auditor shall retain work papers for a minimum of five (5) years after the date of issuance of the auditor's report to the Agency.
5. **Access to Working Papers.** Audit work papers shall be made available upon request by the Agency, HUD, or any other governmental agency having jurisdiction to such request (i.e., Office of Inspector General), and are to be made available to the requested party within 10 days of receipt of such request. All reports rendered to the Agency by the auditor are the exclusive property of the Agency and is subject to the Agency's use and control, according to applicable laws and regulations.
6. **Inquiries from Successor Auditors.** The audit firms shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing significance.
7. **Compliance with Laws.** The Auditor agrees to be bound by applicable Federal, State, and Local laws, regulations and directives as they pertain to the performance of the audit contract.

Specific Services

The Contractor will provide the following services/tasks for audit services commencing with the Agency's fiscal year ending September 30, 2023

1. Perform a financial statement and compliance audit of the Agency in accordance with standards as described under the aforementioned General Requirements section. The statements to be provided by the housing agency include the following:
 - a. Statement of Net Position
 - b. Statement of Revenue, Expenses, and Changes in Net Position
 - c. Statement of Cash Flows

- d. Notes to Financial Statements
 - e. Management Discussion & Analysis
 - f. Schedule of Expenditures of Federal Awards
2. As part of the engagement, the auditor will provide the following reports.
 - a. Independent Auditor's report, including in relation to opinions: (1) Management Discussion and Analysis, (2) Financial Data Schedule, (3) Schedule of Expenditures of Federal Awards
 - b. Independent Auditor's Report on Internal Control over Financial Reporting on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
 - c. Independent Auditor's Report on Compliance for Each Major Program and Internal Control Over Compliance as Required by the Uniform Reporting Guidance
 - d. Schedule of Findings and Questioned Costs
 - e. Any other report as needed to be compliant with current audit standards and HUD, other Federal agency and state requirements, including HUD's Capital Fund Grant Close-out Cost Certificates
 3. Provide with the annual audit, written recommendations made to management which address any findings, observations, opinions, or comments relating to internal controls, financial systems, compliance, or other matters that come to the attention of the auditor during the examination. The management letter shall be provided in draft form prior to publication of the annual financial statement and be discussed with the Executive Director and other appropriate housing agency staff.
 4. The auditor will not be involved in submission of the unaudited Financial Data Schedule (FDS) to HUD. The auditor will review any HUD comments provided on the unaudited FDS submission and last year's audited submission and address accordingly.
 5. The auditor will perform the HUD required Agreed-upon Procedures related to the submission of the audited FDS upon completion of the audit and if necessary, any re-submission as required by HUD.
 6. The auditor will complete and transmit the Data Collection form to be filed with the Federal Clearinghouse.
 7. An exit conference is required of the auditor upon completion of fieldwork with the Finance Committee to inform them of pertinent findings.

A formal presentation of the report by the auditor to the Board of Commissioners is required.

8. **Audit Timeline** – Washington Housing Authority’s fiscal year ends September 30. The audit for FY 2023 will be required to be performed prior to December 31st, 2023, and the audit report must be submitted to HUD by January 31st, 2024. The following timeline will be followed by the Agency and auditor for the completion of the Agency’s financial statement and federal program audits.

#	Time Period	Task
1	August	The Board of Commissioners approves the audit engagement, scope, timing, and fees. The audit planning meeting occurs between the auditors and the Executive Director.
2	October through February	<ul style="list-style-type: none"> • The Agency closes the fiscal year and prepares audit schedules. • Fee accountant prepares financial statements. • A list of items needed at the start of the onsite field work is communicated from the auditor to the Executive Director. • Electronic files of tenant waitlist and populations are sent to the auditor for sample selection.
3	November through December	Year-end financial statement audit field work and review takes place. Onsite field work must be completed no later than May and Exit conference with finance committee and ED.
4	July	<ul style="list-style-type: none"> • Reports - The auditor will submit to the agency one (1) original unbound, (1) electronic and 10 bound copies of the audited financial statements including the audit reports to the Executive Director prior to the August Board Meeting, which is scheduled for the 4th Thursday of every-other month. • The auditor will present the audit to the Board of Commissioners when scheduled. • Final submission to HUD REAC and the Federal Clearinghouse by June 30.

The Agency’s responsibilities with respect to the audit and the Agency’s expectations of the audit firm is described below.

Housing Agency Responsibilities

- The Executive Director has the responsibility for the oversight of the audit and coordination with the Board of Commissioners as necessary.
- The Executive Director/Accountant serves as the liaison with the auditors and has responsibility for coordinating the financial statements and single audits for the Agency.

- The Executive Director/Accountant coordinates the preparation of financial processes and internal control descriptions and the audit schedules utilized by the auditors during the audit process.
- The audited FDS is prepared by the fee accountant and is reviewed and submitted by the Agency and auditor, respectively.

The Housing Agency will provide the following GAAP-based statements and schedules to the Auditor:

- Final trial balances of all funds with appropriate reconciliation of control accounts to detail records.
- Preliminary Financial Data Schedule (FDS).
- Financial Statement drafts including footnotes and supplemental schedules.
- Management Discussion & Analysis.

Auditor Responsibilities

- The audit senior or manager will provide the Executive Director with timely reports during field work should any questions, concerns, potential findings, questioned costs, reportable conditions, weaknesses, or deficiencies, which is identified by the audit firm staff.
- The auditor will substantially complete the audit work and the engagement manager and engagement partner, to the fullest extent possible, will review the audit work papers prior to the audit team leaving the field (Agency).
- The auditor will have an exit conference with the ED and financial committee and inform the Agency about the nature of the proposed management letter comments or single audit exceptions prior to the completion of the audit field work.
- The auditor will keep confidential the Agency data and information and such information will not be used for any purpose other than to perform the agreed-upon services.

INSTRUCTIONS TO OFFERORS

1. **Notice of Intent to Propose.** If your firm elects to respond to this RFP, notify Erica Spruill at the following email address: espruill@wha-nc.org by 4pm EST 8/10/2023.
2. Prospective offerors requiring any explanation or interpretation of the solicitation must request it in writing no later than 4:00 pm EST on 010/4/2023. The request must be addressed to Shannon Alderman at the following email address: shannon@wha-nc.org. Any information given to a prospective offeror about this solicitation will be furnished to all other prospective offerors as a written amendment to this solicitation. After this date and time responses to questions on the RFP will not be provided to any prospective offeror. Responses to questions must be made in writing before the deadline for the submission of written questions.
3. Proposals are to be submitted in a sealed envelope clearly marked **RFP: WHA, Request for Audit Services** and will be received until Due Date and Time: October 6, 2023, 4:00 pm (EST) time at Washington Housing Authority, 809 Pennsylvania Ave, Post Office Box 1046, Washington, North Carolina 27889. Any proposal received/time-stamped after August 15, 2023, 4:00 pm EST time will be considered late and will be returned. If the proposal is hand-delivered, please allow enough time as there may be other clients, etc. at the front desk and you may have to wait to get your proposal time-stamped. Proposals must be time-stamped. If a proposal is sent by mail or courier, the proposal will be time-stamped upon receipt.
4. The offeror should submit a signed original and one copy of its proposal.
5. No proposal may be withdrawn or modified in any way after the deadline for proposal submittal. Proposals shall remain firm and valid for ninety (90) days from said deadline.
6. The proposal must be completed in its entirety, completing all forms included in the proposal packet. If the offeror should have any questions regarding the forms, contact Shanonn Alderman, Director of Finance, at (252) 644-2413 or via email at shannon@wha-nc.org.
7. Proposals are to be submitted in narrative form and are to include the **Price Proposal Template** included in this package.
8. Offerors may supplement their proposal with attached sheets for the purpose of adding or otherwise explaining any further conditions the offeror wishes to have considered. Such supplemental attachments are to be considered items to be reviewed, accepted, rejected, or further considered by the evaluation committee.

PROPOSAL FORMAT

The Agency intends to retain the successful offeror pursuant to a “Best Value” basis, not a “Lowest Bid” basis, i.e., the Agency will consider other factors than cost in making the award decision. All proposals submitted in response to this RFP **must** be formatted in accordance with the sequence and instructions provided below. Any proposal which fails to include all of these items will be considered a non-responsive proposal and will not be considered for evaluation.

Title Page. The title page should include the proposal subject, the firm’s name, address, phone, and fax numbers, email address and contact person, date of the proposal, Federal ID number of the firm, and firm’s license number with the State Board of Accountancy.

Tab 1. Knowledge and Experience (Maximum Page Limit: 5 Pages). This section should provide information on the size of the firm, experience with auditing public housing authorities and HUD program regulations, including experience auditing the Rental Assistance Demonstration (RAD) program, tax credit property, etc. Include information on the firm’s client portfolio and the services offered by the firm.

The offeror shall identify whether or not subcontractors will be used for the engagement, if awarded, and/or if the proposal is a joint venture with another firm. All information required from the offeror **must** also be included for any major subcontractors or from any joint venture.

Tab 2. Management and Staffing Plan (Maximum Page Limit: 10 Pages). Provide a management plan that describes the firm’s audit approach, including consideration of laws and procedures, the process for review, and quality control of services to be provided. Include in the response, an alternate schedule for completing the services, if different from the schedule outlined in the Scope of Work. In addition, describe any assistance expected of the Agency’s staff, if other than outlined in the RFP.

Provide a staffing plan that identifies key personnel and other staff who will be assigned to the project and duties to be performed on the project.

- For the principal supervisory and management staff, including engagement partners, managers, or other supervisors, indicate whether each person is licensed to practice as a certified public accountant in the state.
- For each staff, provide their job title, background, and experience, including information on the government auditing experience of each person, relevant continuing professional education, and membership in organizations relevant to the performance of this audit.
- Include in the staffing plan, the total estimated hours to be performed onsite and offsite at the auditor’s office by job classification, for example, partner, manager, senior, and staff

Tab 3. References. Provide no more than five (5) references of housing authorities currently under contract with the firm or clients served within the past three (3) years for whom the offeror has performed similar services to those described in the RFP. The list shall include the: client’s name, client’s contact name, client’s telephone number, the date the service(s) was provided, and a brief narrative description and scope of the service(s), including key personnel and contract value.

The firm is also required to submit a copy of the report of its most recent external peer review report as approved by the State Society of CPAs. The firm shall also provide information on the results of any HUD QASS review, other federal or state desk reviews or field review of its audits during the past three (3) years. 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 organization.

Tab 4. Commitment Letter. The proposal **must** include a signed letter indicating that if selected, your firm will sign an annual contract for audit services for a period of two (2) years. This contract may be extended for an additional one (1) year period for a total of three (3) years of audit services if mutually agreed upon by the Agency and the contractor.

Tab 5. Licensing and Insurance Requirements. Prior to award, but not as part of the proposal submission, the successful contractor will be required to provide the following documents.

- a. Evidence that the key personnel that will be reviewing all work performed under the engagement is licensed as a certified public accountant.
- b. An original certificate evidencing the contractor's current industrial (worker's compensation) insurance carrier and coverage amount.
- c. An original certificate evidencing the contractor's General Liability coverage.
- d. An original certificate evidencing the contractor's Professional Liability and/or "errors and omissions" coverage.
- e. A copy of the contractor's business license allowing the entity to provide such services within the jurisdiction.
- f. A copy of the contractor's license issued by the State of record allowing the contractor to provide the services provided in the RFP.

Tab 6. Price Proposal Template. Submit a price proposal for the two (2) years and one (1) option period according to the instructions and template provided.

Tab 7. HUD Form 5369-B, Instructions to Offerors, Non-Construction. Read and initial each page indicating that you have read and agree with the contents.

Tab 8. HUD form 5369-C, Certifications and Representations of Offerors, Non-Construction. Read and initial each page indicating that you have read and agree with the contents.

Tab 9. HUD Form 5370-C, General Contract Conditions, Non-Construction. Read and initial each page indicating that you have read and agree with the contents.

Tab 10. PHA-Contract Provisions. Read and initial each page indicating that you have read and agree with the contents.

PRICE PROPOSAL TEMPLATE

Annual Audit Service Fee

The price proposal template provided below is required to be provided for Year 1 (Base Year), Year 2, and one (1) option period and will be used by the Agency to review the offeror’s overall fee and staffing level for the audit services. Offerors are instructed to complete the template for Year 1 and then duplicate the template and update /complete it for Year 2 and the option period.

For the requested year, for each proposed personnel, provide the labor category, hourly rate, and estimated hours to be performed onsite at the WHA and offsite at the auditor’s office for the audit work.

Table 1. Rate, Hours, and Total Cost by Staff – Year 1 (Base Year)					
Staffing	Labor Category	Year 1 Hourly Rate	Year 1 Hours (Onsite)	Year 1 Hours (Offsite)	Year 1 Total Cost
Name of Lead Audit Firm					
Name 1	Engagement Partner	\$13.00	20	40	\$780.00
Name 2	Sr. Auditor	\$10.00	20	40	\$600.00
Name 3	Jr. Auditor	\$8.00	20	40	\$480.00
				Subtotal, Lead Firm	\$1,860.00
Name of Subcontractor Firm					
Name 4	Sr. Auditor	\$6.00	10	20	\$180.00
Name 5	Jr. Auditor	\$4.00	10	20	\$120.00
				Subtotal, Subcontractor	\$300.00
			Total, Annual Fee		\$2,160.00
			Total, Travel (see table 2)		\$X,XXX.00
			Total, Annual Fee (all inclusive)		\$XX,XXX.00

Annual Estimated Travel Cost for Audit Services

The price proposal template provided below is required to be provided for Year 1 (Base Year), Year 2, and the one (1) option period. Offerors are instructed to complete the template for Year 1 and then duplicate the template and update /complete it for Year 2 and the option period.

Provide the estimated travel associated with the onsite field work.

Table 2. Other Expenses - Year 1 (Base Year)							
Name	Labor Category	Days Onsite	Transportation	Lodging	Meals	Other Expenses	Total Expenses
Name 1	Engagement Partner	5	\$1.00	\$1.00	\$1.00	\$1.00	\$20.00

Table 2. Other Expenses - Year 1 (Base Year)							
Name	Labor Category	Days Onsite	Transportation	Lodging	Meals	Other Expenses	Total Expenses
Name 2	Sr. Auditor	5	\$1.00	\$1.00	\$1.00	\$1.00	\$20.00
Name 3	Jr. Auditor	5	\$1.00	\$1.00	\$1.00	\$1.00	\$20.00
					Total, Expenses		\$60.00

Other Pricing Information – Consultation and Assistance Services

The price proposal template provided below is required to be provided for Year 1 (Base Year), Year 2, and the one (1) option period. Offerors are instructed to complete the template for Year 1 and then duplicate the template and update/complete the template for Year 2 and the option period.

For the requested year, for each proposed personnel, provide the labor category, hourly rate, and estimated hours to be performed for the project. The number of hours in the base period or any of the option periods should not exceed 100 hours. Consultation and Assistance Services **must** be approved by the Agency prior to services being rendered and billed.

Invoicing for this task should be supported by information similar to this information requested in Table 3 along with a narrative of the task performed. Pricing for this service will be billed at the rate shown in the offeror’s Table 3.

Table 3. Rate, Hours, and Total Cost by Staff – Task 9: Consultation and Assistance Services				
Year 1 (Base Year)				
Staffing	Labor Category	Year 1 Hourly Rate	Year 1 Hours	Year 1 Total Cost
Name of Lead Contractor Firm				
Name 1	Engagement Partner	\$13.00	10	\$130.00
Name 2	Sr. Auditor	\$10.00	10	\$100.00
Name 3	Jr. Auditor	\$8.00	10	\$80.00
			Total Hours (NTE 100)	
			Total Annual Fee (NTE)	\$360.00

Invoicing and Payment

1. Audit Services. The auditor will submit three (3) invoices for each audit. The three invoices will total to the Total Hours, Annual Fee (all Inclusive) shown on Table 1 of the offeror’s submission for each respective year, regardless of actual hours worked or other expenses incurred. The auditor will submit an invoice for payment based on the schedule below.
 - a. Thirty percent (30%) of the total annual fee upon the completion of the field work
 - b. Thirty percent (30%) of the total annual fee upon delivery of the audit report.
 - c. Forty percent (40%) of the total annual fee after approval of the audit by HUD-REAC.
2. Consultation and Assistance Services. The auditor shall invoice the Agency monthly for consultation and assistance services as these costs are incurred. The Agency will provide payment within 30 days of an acceptable invoice.
3. Equitable Adjustment. At any time, the Agency may, by written notice, make changes in or additions to work or services within the general scope of the agreement. If such changes are made, an equitable adjustment will be made in the cost of the audit using the rates specified

in the agreement. If the auditor believes that a change in or addition to work is beyond the general scope of the agreement, the auditor **must** notify the Agency in writing within 10 days of notification to begin such work. The final administrative authority in settling such disputes shall rest with the Agency.

EVALUATION CRITERIA

The Agency intends to award the contract to the successful offeror pursuant to a “Best Value” basis. An evaluation committee will review and rank each proposal using the evaluation factor and point system shown. The award of points for each listed factor will be based upon the documentation that the offeror submits with the proposal.

#	Evaluation Factor	Maximum Points
1	<p>Firm’s Knowledge and Expertise with PHAs and HUD Programs The proposal demonstrates the firm’s experience with generally accepted accounting principles and audit standards as they apply to housing authorities.</p>	25
2	<p>Management and Staffing.</p> <ul style="list-style-type: none"> • The audit approach adequately describes the work to be performed and provides information on the sampling techniques and analytical procedures that will be used. • The offeror’s proposed management plan for assigning and overseeing the work and the proposing staffing and proposed hours provides assurance that: <ul style="list-style-type: none"> • The firm has assigned staff to the project with the necessary expertise for performing and reviewing the work. • The number of hours proposed by the firm to complete the audit appears reasonable. • The firm’s approach will meet the Agency’s provided timeline. 	25
3	<p>Quality of Firm’s References and Peer Review</p> <ul style="list-style-type: none"> • The offeror has provided evidence of successful performance of similar audits for other housing authorities. • The prior audit experience with other housing authorities have been deemed acceptable as evidenced by references and the housing authorities’ response to the reference check. • Latest peer review and the results of any federal or state desk reviews (if applicable) has been determined to have been acceptable. • The firm has not had any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organization that would be deemed concerning. 	20
4	<p>Section 3 Requirements. The offeror is a Section 3 firm or has proposed that a portion of the work is performed by Section 3 firms, i.e., small and minority-owned businesses, women’s business enterprises, labor surplus area businesses, or firms that are substantially owned by a PHA resident.</p>	10
5	<p>Price. The offeror’s cost seems reasonable based on the services requested and the offeror’s management and staffing plan for each of the requested year(s).</p>	20
	Total Points	100

Once each offeror's proposal has been evaluated and ranked, final negotiations will be scheduled for the top ranked offeror. If the final negotiation is successful, the Executive Director will make a recommendation to the Board of Commissioners to award a single contract to that offeror. The Board may require additional information or negotiations before the Board approves an award of the contract.

Should negotiations with the selected offeror become unsuccessful, the Agency reserves the right to cease negotiations with the offeror. In the event of cessation of negotiations with the first selected offeror, the Agency reserves the right to either enter similar interviews and negotiations with the next highest ranked offeror, and so on or take other action as it deems most beneficial.

HUD MANDATORY CONTRACT PROVISIONS

HUD requires that certain contract provisions be contained in the contract. These contract provisions should be provided as part of the procurement package. HUD has provided the mandatory contract clause provisions as HUD forms, which can be searched via the internet by the HUD form number and simply attach it to the procurement proposal or the PHA may type the clauses into the procurement package. Some PHA's procurement module in their management information system already have these HUD required clauses, which can be printed and included as part of the RFP package.

HUD Mandatory Contract Provisions

1. Form HUD 5369-B, Instructions to Offerors – Non-Construction.
2. Form HUD 5369-C, Certifications and Representations of Offerors – Non-Construction Contract.
3. Form HUD 5370-C, General Conditions for Non-Construction Contracts

PHA-CONTRACT PROVISIONS

This section of the solicitation would include other contract provisions, affidavits, or statements required by the PHA or state law but are not required by HUD. Below is a list of provisions that are frequently included in PHA's RFP for audit services.

1. No material belonging to the Housing Agency may be removed from the office of the Housing Agency.
2. All work performed at the Housing Agency will be during regular business hours of the agency (8:30 am to 5:00 pm Monday thru Friday).
3. The Auditor warrants that he/she has not employed any person to solicit or secure the contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Housing Agency the right to terminate the contract, or in its discretion, to deduct from the Auditor's fee the amount of such commission, percentage, brokerage, or contingent fees.
4. The Auditor shall not assign or transfer any interest in the contract without prior approval of the Housing Agency.
5. The Auditor certifies that he/she presently has no interest and shall not acquire any interest, direct or indirect, in the projects and/or programs of the Housing Agency, or any other interest, which would conflict with the performance of his/her audit.
6. The Housing Agency reserves the right to request changes in the selected firm's representation if at the Agency's discretion, assigned personnel are not satisfying the needs of the Housing Agency.



ADENDUM NO. 1

Date: Monday, July 25, 2023

RFP: RFP 2023-2025 WHA Audit Services

Dated: Original: July 18, 2023 2nd posting September 29, 2023

Proposal Due: October 6, 2023 4pm EST (RESCHEDULED)

Proposal Opening: October 6, 2023 4pm EST (RESCHEDULED)

Subject: Proposal Due Date Extended and Pre-Proposal Clarification

Greetings,

The due date and time for all proposals have been extended to Friday, October 6, 2023, no later than 4:00 pm EST.

Clarification:

As listed under "Description of Entity"

- Rural Development. The Agency administers 60 units of low-income housing; a program of the U.S. Department of Agriculture.

This program is under Washington Housing Nonprofit Inc. and requires a separate audit in compliance with USDA Rural Development Auditing Standards. The end of the fiscal year is December 31

An audit should consist of the following items at a minimum:

- Independent Auditor's Report
- Financial Statements
 - o Balance Sheets
 - o Statements of Operations
 - o Statements of Changes in Partner's Equity (Deficit)
 - o Statements of Cash Flows
- Notes to the Financial Statements



- Supplemental Information
 - o Multiple Family Housing Borrower Balance Sheet – Form RD 3560-10
 - o Multiple Family Housing Project Budget/Utility Allowance – Form RD 3560-7
 - o Supplemental Information
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Audit Findings on Compliance
- Independent Accountants Report on Applying Agreed-Upon Procedures
- Schedule of Agreed-Upon Procedures

Other Financial Reports The requirements below are in addition to the requirements outlined above. Standards for state and local governments, Indian tribes and Nonprofit Organizations. Some of these organizations must submit audits in accordance with 7 CFR Part 3052 (OMB Circular A-133 requirement). For guidance meeting these requirements, the auditor may refer to the AICPA Audit and Accounting Guide for Audits of State and Local Governmental Units. The term “Federal financial assistance” is defined in 7 CFR 3052.105, but such federal assistance does not include rental subsidies (i.e., Rental Assistance). Circular A-133 requires reporting by non-Federal entities with loan balances in excess of \$500,000 where the Federal Government imposes continuing compliance requirements (7 CFR 3052.205(b)(2)). RRH and Farm Labor Housing (Off-Farm) loan programs have continuing compliance requirements. Organizations subject to A-133 must submit the A-133 single audit and the borrower’s certified performance standards, Budget Actuals and the Balance Sheet. Agreed-Upon Procedures are not required with this audit. These financial reporting requirements are effective for audits ending December 31, 2007, and thereafter. Questions concerning RRH audit requirements should be directed to the Rural Development office in the state where the property is located and serviced.

All other requirements remain unchanged. Offerors must take due notice and be governed accordingly. This addendum must be acknowledged as indicated in the Request for Proposals or your proposal may not be considered.

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