

REQUEST FOR PROPOSAL AUDIT SERVICES

A. INTRODUCTION

The Housing Authority of the City of Benicia (BHA) is inviting proposals from independent public accounting firms to perform an audit of BHA's various programs for fiscal year ending **March 31, 2024**.

The audit shall be made in accordance with Generally Accepted Auditing Standards (GAAS) issued by American Institute of Certified Public Accountants (AICPA) and Governmental Auditing Standards (also referred to as "Yellow Book") issued by the Comptroller General of the United States, General Accounting Office (GAO). The audit and the reports to be issued shall meet the requirements of Single Audit Act of 1984 (and Single Audit Act Amendments of 1996), OMB Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations" and OMB Circular A-133 Compliance Supplement. The financial statements are to be prepared by the auditor using Generally Accepted Accounting Principles (GAAP), and in accordance with HUD's timetable for submission. The Auditor shall electronically submit BHA's annual financial information to HUD's Real Estate Assessment Center (REAC) via the Internet. The audit report and financial statements, as well as working papers, will be subject to review and approval by HUD.

B. SUMMARY STATEMENT

BHA established July 17, 1942 is an independent public agency established to provide housing for low-income households under the U.S. Housing Act of 1937 and the State of California Health and Safety Code (34200-34219). The Benicia City Council has appointed and delegated policy functions to a Board of Commissioners. The Housing Authority Executive Director is the principal administrator.

BHA is responsible for the management of publicly owned or assisted-housing projects and operation of rent-subsidy programs. BHA serves the incorporated areas of Benicia.

The Department of Housing and Urban Development, by means of an Annual Contribution Contract and Capital Fund, partially subsidizes its operation. BHA is responsible for the management of a single 75-unit public housing complex and related programs including the Section 8 Housing Choice Voucher Program.

BHA operates two 40-unit senior housing complexes. One complex is administered under the State of California (HCD) affordable housing program. The second complex is administered under the city's Inclusionary Housing ordinance.

C. GENERAL INFORMATION

1. Regulations pertaining to the U.S. Department of Housing and Urban Development (HUD) promulgate assisted programs. Attachment 1 is a list of major federally assisted programs of BHA.

The Authority's fiscal year begins on April 1st and ends on March 31st annually. The last audit was performed for the fiscal year that ended on **March 31, 2023**. Prior year audit reports and financial statements may be reviewed at the BHA office located at 28 Riverhill Drive, Benicia, California, 94510. Please call Julie Peterson, Executive Director at (707) 745-2071, Ext. 215.

2. Payment to the Independent Auditor by BHA does not require prior approval by HUD. This fee may be broken up into progress payments as mutually agreed.
3. BHA utilizes a cloud-based software system called "Housing Pro" developed by HAPPY Software to administer our housing programs. The Authority uses QuickBooks for our accounting functions, including payroll.
4. Each federally assisted program has its own separate book of accounts.
5. BHA, in addition, master leases two 40-unit Senior Housing Complexes in connection with the State of California.

D. SERVICES REQUIRED

1. A financial statement and compliance audit of the Housing Authority for fiscal year ending March 31, 2024 performed in accordance Section A, paragraph 2 of this RFP. The statement should include the following:

- Balance Sheet
- Statement of Revenues, Expenses and Changes to Retained Earnings
- Statement of Cash Flow
- Combining Financial Statements (GAAP basis) by fund/program
- Report on Compliance With Applicable Laws, Regulations and Grant Agreements for:
 - Section 8 Housing Assistance/Housing Choice Voucher
 - Low Income Public Housing Program
 - Capital Fund Programs
 - Rental Housing Construction Program (RHCP) – State of CA

The above procedures should be performed in accordance with OMB Circular, A-133, the Public and Indian Housing Compliance Supplement, and the State of California Rental Housing Construction Program Operation Manual 1989.

- Report on Internal Controls in accordance with OMB Circular, A-133.
 - Supplemental Reporting Requirements – Reserve Account
 - Supplemental Reporting Requirements – Return on Investments
 - Prepare Bureau of Census Data Collection form
2. Attestation by auditors on Financial Data System (FDS) data as to its “fair presentation in relation to audited basic financial statements” in accordance with GAA standards.
 3. A separate attestation of agreed-upon procedures engagements under AICPA Statement on Standards for Attestation Engagements (SSAE) No. 4. Agreed-Upon Procedures Engagements whereby the auditor compares the electronically submitted data in the REAC staging database to the hard copy of the audit report and FDS.
 4. If the need for other audit services arises concerning the fiscal year under audit, the Housing Authority expects to be able to negotiate with the selected auditor to obtain the additional services needed.

5. REPORTS

- (1) One unbound and 20 bound copies of the Housing Authority audit opinion, financial statements and compliance report shall be submitted to the Housing Authority Executive Director within **180 days** after the close of the Authority’s fiscal year. The Single Audit Act stipulates a submission requirement of no later than six (6) months after the end of the audit period and REAC stipulates a 9-month submission deadline. However, the authorities require that the audit report and REAC report shall be submitted within 180 days after the closing of BHA’s fiscal year end.

Fiscal Year Ending 03/31/24 financial statements and compliance report shall be submitted to the Housing Authority Executive Director no later than **October 31, 2024**. REAC submission is due no later than **October 31, 2024**, unless a later date (no later than December 31, 2024) is mutually agreed upon.

- (2) Preparation of the Data Collection Form for submission to the Federal Audit Clearinghouse.
- (3) Any other reports as requested by the Housing Authority and as required by HUD’s Uniform Financial Reporting Standards (UFRS) for Public Housing Authorities.
- (4) The Auditor shall attend and present a report to the Board of Commissioners at its Board Meeting upon completion.

E. EVALUATION OF AUDIT PROPOSALS

1. Evaluation Committee. An Evaluation Committee will evaluate Proposals received.
2. Review of Proposals. The Evaluation Committee will use a three-step method.

Step 1. Proposals must meet certain mandatory criteria in order to qualify for further evaluation.

- | | | | |
|--------------------------|---|-----|----|
| <input type="checkbox"/> | Is the firm properly licensed? | yes | no |
| <input type="checkbox"/> | Is the firm independent? | yes | no |
| <input type="checkbox"/> | Has disciplinary action been taken or pending against the firm? | yes | no |

What is the PIH/REAC rejection rate of your Audits?

Have you had a Quality Assurance audit done by PIH/REAC QASS division? If so, may we obtain a copy?

Step 2. Proposals will be scored using the following technical criteria. Points for each question will range from 0-15

- Does the firm have a quality control program to help ensure adherence to high professional standards? (0-10)
- Does the firm subject itself to "Peer Review" in order to provide an independent review of its quality control policies and procedures? (0-5)
- Did the "Peer Review" cover the governmental auditing section and was the "Peer Review" opinion attached? (0-5)
- Does the proposal fully respond to the needs of BHA with regard to this audit? (0-5)
- Will the firm be able to meet the authorities' 180-day deadline? (0-10)
- Is the quality of the firm's professional personnel to be assigned to the engagement and quality of the firm's management support personnel available for technical consultation adequate? (0-15)
- Has the firm audited other Housing Authorities? If so, please state and let us know if we may contact them. (0-15)
- Will the field personnel to be assigned to the engagement have previous Housing Authority or local government experience? (0-15)

- ❑ Does the proposal adequately describe in a clear, concise, and understandable manner the work to be performed including sampling techniques and analytical procedures to be used? (0-15)
- ❑ Does the proposal demonstrate the firm's familiarity with generally accepted accounting principals (GAAP) as they apply to Housing Authorities? (0-10)
- ❑ Has the firm had any prior experience with conversion from HUD accounting to GAAP (0-5)?
- ❑ Has the firm's prior experiences with BHA or another Housing Authority, if any, been acceptable? (0-10)

Step 3. The score based on the cost of the proposal will be calculated by using the following formula:

$$\frac{\text{Lowest Cost of All Bids X 10 points}}{\text{Cost Proposed by this firm}}$$

The maximum technical score is 120 points. The maximum number of points relating to cost is 10. These will be added to the technical score.

F. PROPOSAL CONTENT AND FORM

1. Proposals must be for the entire scope of the requirements stated in paragraph "D." Partial bids will not be considered, although joint venturing the paragraph "D" requirements is acceptable and encouraged. The proposal should be contained in a single bound document not to exceed twenty (20) pages. Proposals are to be submitted in a sealed envelope to BHA by the date and time stipulated in Section L of this RFP. The date-time stamp in the Housing Authority Office will be the determining factor on the time of receipt.
2. The proposal must contain specific information to facilitate its evaluation as outlined in paragraph E and presented in the following suggested format:
 - a. Table of Contents.
 - b. Description of your organization and firm's size.
 - c. Prior Housing Authority and local government auditing experience.
 - d. Qualifications of staff members to be assigned to the audit, their position in the firm, the types and amount of audit experience each staff member possesses in the activities to which the proposal relates. In addition, include a description of how overall supervision will be provided.
 - e. Work to be performed and compensation:

- (1) Statement of understanding of work to be performed.
- (2) Completion of Attachments 3A and 3B.
- (3) Documentation of Licensing and Insurance. Evidence of Professional Liability insurance in the amount of \$1,000,000 and Workers' Compensation insurance in the amount required by the State of California must be provided upon an award of contract.
- (4) The Auditor will carry and maintain throughout the period of this contract, at its sole cost, liability insurance to cover all classifications of work herein contemplated, minimum limits of coverage of \$1,000,000 per person per incident. Certificates of insurance coverage shall be furnished to the BHA immediately upon effective date of the resulting contract. Such insurance shall be adequate to protect both the Auditor and BHA from all liability because of injury or damage done to the persons or property of any and all persons during or in consequence of the performance of contracted services. Auditor shall furnish the BHA with Certificates of Insurance reflecting the coverage required by this clause.

G. AWARD BASIS

1. At the option of the Housing Authority, finalists may be selected for a final round of negotiations; however, vendors are encouraged to present their best offers with their initial submission.
2. The Housing Authority reserves the right to accept or reject any and all proposals, to waive any irregularities in any proposal process, and to make an award of contract in any manner in which the Housing Authority, acting in the sole and exclusive exercise of its discretion, deems to be in the Housing Authority's best interest. BHA reserves the right to determine the days, hours and location that the successful firm and or individual(s) shall provide the services called for in this RFP. BHA shall have no obligation to compensate any firm and or individual (s), for any costs incurred in responding to this RFP. The award of the contract will not necessarily be made to the firm offering the lowest price. The recommendation of the finalist will be made to the Board of Commissioners for their consideration.

H. CONTRACTUAL DEVELOPMENT

If a proposal is accepted, the Housing Authority intends to enter into a contractual agreement with the selected bidder. Contract discussion and negotiation will follow the award selection. Bidders must be amenable to inclusion, in a contract, of any information provided whether herein or in response to this RFP, or developed subsequently during the selection process.

I. OTHER TERMS AND CONDITIONS

1. INSURANCE REQUIREMENT (see Attachment 1)

2. WORK PRODUCT

a. All work papers prepared in connection with the contracted services will remain the property of the successful bidder. The work papers must be retained for a period of five (5) years and be made available to BHA or HUD upon request. Except for disclosure to HUD and BHA, the audit report work papers, data, and records shall be held confidential by the audit firm. Auditor acknowledges that information disclosed to it concerning the BHA's operations during performance of the contract is confidential and/or proprietary to the BHA and shall not be disclosed to third parties without the BHA's prior written consent.

b. All reports rendered to the Housing Authority are the exclusive property of BHA and subject to its use and control.

3. INDEPENDENT CONTRACTOR

The successful bidder and its agents, officers and employees shall act at all times in an independent capacity during the term of the agreement and in the performance of the services to be rendered there under, and shall not act as, and shall not be, and shall not in any manner be considered to be agents, officers or employees of the BHA.

Indemnification: To the full extent authorized by law, Auditor agrees to indemnify, hold harmless and defend BHA, its commissioners, employees and agents from and against any and all liabilities, claims, damages, losses, suits, penalties, forfeitures, actions, decrees, judgments, attorneys' fees, court costs and other costs and expenses incident thereto (including but not limited to the cost of defense, settlement, judgment and reasonable attorneys' fees) as a result or failure to act on part of the Auditor, its subcontractors or agents, or anyone directly or indirectly employed by any such subcontract or agent in the fulfillment or performance of the terms and conditions of this Contract.

Compliance with Laws: Auditor agrees to comply with any applicable federal, state and local laws and regulations.

General: Persons who require special accommodations should contact the Executive Director at (707) 745-2071 Ext. 215.

4. ASSIGNMENT

The successful bidder thereof shall assign neither the agreement, nor any part without the prior written consent of the Housing Authority.

5. AFFIDAVIT (See Attachment 4)

J. BIDDERS QUESTIONS

Any technical questions concerning the request for proposal should be submitted in writing to:

Julie Peterson, Executive Director
Housing Authority of the City of Benicia
28 Riverhill Drive
Benicia, CA 94510
Tel. (707) 745-2071, Ext. 215

Such questions must be received by the date and time stipulated in the calendar of events. Written responses, if appropriate, to these questions will be provided to the requestor no later than 4:00 PM on **Friday, March 8, 2024**.

K. LENGTH OF CONTRACT – TERMINATION CLAUSE – FEE SCHEDULE

You are invited to submit a proposal for audit for a two-year period. The audit is for the fiscal year ending 2024. However, BHA may terminate the audit contract upon written notice to the Contractor not less than sixty (60) days before the close of the fiscal year to be audited. Estimated hours and proposed fees are to be submitted on Attachment 3A and Attachment 3B.

L. PROPOSAL SUBMISSIONS

All proposals must be submitted to:

Julie Peterson, Executive Director
Housing Authority of the City of Benicia
28 Riverhill Drive
Benicia, CA 94510

All proposals must be in a sealed envelope clearly marked "AUDIT PROPOSAL." The proposals must be in our office no later than 4:00 PM on **Wednesday, March 20, 2024**.

If you have any questions regarding this RFP, please call Julie Peterson at (707) 745-2071, Ext. 215.

Sincerely,

Julie Peterson
Executive Director

- Attachments: 1 Insurance Requirement for Consultants
2 BHA Programs for Audit
3A Schedule of Estimated Hours and Costs
3B Schedule of Proposal Pricing
4 Affidavit
5 HUD 5369-B
6 HUD 5369-C

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CALENDAR OF EVENTS

Listed below are the important actions and dates/times by which the actions must be taken or completed. If the Housing Authority finds it necessary to change any of these dates, it will be done by addendum.

- | | |
|-----------------------|--|
| March 8, 2024 | 4:00 P.M. Receipt of Bidder's questions |
| March 20, 2024 | 4:00 P.M. Proposals Due |
| March 28, 2024 | Bid Award and Vendor Notification |

Housing Authority of the City of Benicia
Programs for Audit

Program	No. of Units	FYE 03/31/2024 Budgeted Expenditures
1. Low Rent Program (Conventional Public Housing)	75	\$1,847,572
2. Capital Fund		Included in Low Rent Program
3. Housing Choice Voucher Program	372	\$5,113,568
4. Casa de Vilarrasa I	40	\$514,201
5. Casa de Vilarrasa II	40	\$686,016
6. Affordable Housing Master Lease Bay Ridge Apartments	50	\$1,155,496
7. Operation Fund		\$5,543

Schedule of Estimated Hours and Cost
This Schedule will be part of the Audit Proposal and Contract

Fiscal Year Ending March 31, 2024

<u>Level of Service</u>	<u>CPA Y/N</u>	<u>Rate</u>	<u>Estimated Hours</u>	<u>Cost</u>
Partner		\$		
Senior Staff		\$		
Junior Staff		\$		
Support Staff		\$		
Other Direct Costs		\$		
Travel		\$		

 Name of Independent Public Accounting/Firm

 Contracting Officer: Name and Title

 Contracting Officer: Name and Title

Schedule of Proposal Pricing
This Schedule will be part of the Audit Proposal and Contract

<u>Fiscal Year</u>	<u>Proposal Pricing for:</u>	<u>Estimated Cost:</u>
03/31/2024	Housing Authority Single Audit Regulatory Major Programs REAC IPA Review and Certification	

Proposal Submitted by:

Name of Independent Public Accountant/Firm

By: _____
Contracting Officer: Name & Title

Date

By: _____
Contracting Officer: Name & Title

Date