

REQUEST FOR PROPOSAL

INDEPENDENT AUDITING SERVICES

RFP#21-04

**SAGINAW HOUSING COMMISSION
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GENERAL INFORMATION

The Saginaw Housing Commission (SHC) was established in July 1947 by the City of Saginaw to provide safe, decent, sanitary, and affordable housing and create opportunities of self-sufficiency and economic independence to low and moderate income residents of the City of Saginaw. The SHC's primary funding source is the U.S. Department of Housing and Urban Development (HUD) under the regulation of the State of Michigan's Act 18 of 1933 (MCL 125.651-709e).

The Saginaw Housing Commission currently administers following affordable housing programs with combined total operating budgets of over \$11 million:

- 631 units of Conventional Low Income Public Housing in three (3) Elderly High Rise Developments, two (2) Elderly and Disabled High Rise Developments, one (1) Family Development, and one (1) Scattered Sites Family Development;
- 1280 Housing Choice Vouchers (Section 8) of which 60 are Veterans Administration Supportive Housing Vouchers, 125 are Family Unification Program Vouchers and 21 are Emergency Housing Vouchers;
- Capital Fund Program (CFP) projects for FFYs 2017, 2018, 2019, 2020 and 2021. Program and financial compliance for the open on-going CFP projects as well as the closed project will be required. Note: Capital Funding is not included in the operating budget.

The Commission is currently structured to an asset management-style of operation in compliance with HUD requirements under revised Operating Fund regulations at 24 CFR Part 990. In accordance, therewith all financial records were segregated and are now maintained on a property-by-property or program basis in separate subsidiary ledgers, which will require individual or unit valuation so that appropriate cost apportionments can be made. The Commission is in the process of converting Public Housing properties in the Rental Assistance Demonstration (RAD) program.

The Commission has fourteen (14) employees and is responsible for all personnel-related activities, including payroll, benefits administration and collective bargaining activities with its one (1) labor unions representing salaried supervisory employees. The Commission's accounting and tenant management systems are automated, utilizing the Housing Management Solutions for Windows©, version software of HAB, Inc., LaCrosse, WI, operating on Windows XP Server network system.

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The Saginaw Housing Commission is requesting proposals from qualified Public Accountants for Independent Auditing Services (Audit). The term of the initial engagement shall be for five (5) years, beginning with the audit services for FYE 6/30/2021 and continuing through 6/30/2025.

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Audit is to be conducted in compliance with the Comptroller General of the United States' Single Audit Act of 1984 (P.L. 98-502), the Single Audit Act Amendments of 1996 (P.L. 104-156), and the Office of Management and Budget Circular A-133 and its most recent Compliance Supplement (2010), together with HUD regulations promulgated at 24 CFR 85.20. The A-133 Compliance Supplement is available at the following OMB website: <https://www.whitehouse.gov/omb/offices/offm>.

Additionally, the Audit shall include all necessary and required submissions and/or electronic transmissions to the State of Michigan Department of Treasury (within 6 months of the end of the fiscal year audited), local HUD Field Office and, HUD Real Estate Assessment Center (REAC through its Financial Assessment Subsystem, FASS, within 9 months of the end of the fiscal year audited), and the Federal Audit Clearinghouse. Penalty, up to cancellation of the audit engagement and/or withholding of fees, shall be assessed for late submissions not otherwise beyond the control of the Audit professional.

Special attention is made to the requirements of 24 CFR Part 902 detailing the Public Housing Assessment System (PHAS), the standard by which financial condition and program compliance of Public Housing Agencies (PHA) is measured by HUD. Audit professionals are directed to the related requirements of 24 CFR Part 902 Subpart C, Financial Condition; 24 CFR Part 5 Subpart H, Uniform Financial Reporting Standards; and to the Supplement to HUD Financial Management Handbook 7475.1 (cancelled as a requirement but retained) for a complete enumeration of the requirements for GAAP and GASB reporting and audit submission deadlines.

SCOPE

1. The Annual Audit Report shall contain a minimum of the following criteria:
 - A. Financial Statements for the fiscal year end, June 30th
 - a. Statement of Net Assets
 - b. Statement of Income, Expenses, and Changes in Net Assets
 - c. Statement of Cash Flows
 - d. Notes to Financial Statements
 - e. Schedule of Expenditures of Federal Awards
 - B. Report on the study and evaluation of the internal control system must identify the organization's significant internal accounting controls designed to provide reasonable assurance that Federal programs are being managed in compliance with laws and regulations. In addition, identify the controls that were evaluated, the controls that were not evaluated, and the material weaknesses identified as a result of the evaluation.

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- C. Report on Compliance with Applicable Laws, Regulations, and Grant Agreements
- a. Statement of positive assurance with respect to those items tested for compliance, including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements;
 - b. Negative assurance on those items tested;
 - c. Summary of all instances of noncompliance;
 - d. Identification of total amounts questioned for each Federal assistance award, if any, as a result of noncompliance.

The three parts of the audit report may be bound into a single report, or presented at the same time as separate documents.

All fraud, abuse, or illegal acts or indications of such acts, including all questioned costs found as the result of these acts that auditors become aware of, should normally be covered in a separate written report.

In addition to the audit report, the auditor shall provide comments on the findings and recommendations in the report, including a plan for corrective action taken or planned and comments on the status of the corrective actions taken on prior findings. If corrective action is not necessary, a statement describing the reason it is not necessary should accompany the audit report. In accordance with generally accepted government audit standards (GAGAS), reports shall be submitted by the auditor to the organization audited and to those requiring or arranging for the audit. In addition, the auditor shall submit copies of the report to each Federal department or agency that provided them Federal assistance funds.

Upon completion of the audit and the Audit Report consisting of those elements aforementioned, six (6) copies shall be submitted to the Saginaw Housing Commission.

2. Audit Work papers and Reports

Work papers and reports shall be retained for a minimum of three years from the date of the audit report, unless the auditor is notified in writing by the cognizant agency to extend the retention period. Audit work papers shall be made available upon request to the cognizant agency or its designee or the General Accounting Office, at the completion of the audit.

3. Formal Presentations

At least two (2) formal presentations may be required for each audit period. One presentation will be to SHC Management and the other will be to the Board of Commissioners.

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SUBMISSION REQUIREMENTS

Interested firms or individuals shall respond to this RFP by 10:00 a.m., August 6, 2021 by mail or email.

SAGINAW HOUSING COMMISSION
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PO BOX 3225
SAGINAW, MICHIGAN 48605-3225

FINANCE@SAGINAWHOUSING.ORG

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For information relative to the RFP, questions should be referred to Anne Steuer, who can be reached at (989) 755-8183 ext. 223.

All proposals will be publicly opened and read via Zoom:
<https://zoom.us/j/97568359839?pwd=dWVPRU1kYUNJeS9mM3Q5dVhQclRQdz09>
Meeting ID: 975 6835 9839
Passcode: 316566

Dial by your location +1 929 205 6099 US (New York) or find your local number:
<https://zoom.us/j/97568359839?pwd=dWVPRU1kYUNJeS9mM3Q5dVhQclRQdz09>
Meeting ID: 975 6835 9839
Passcode: 316566

SHC will be evaluated and ranked in accordance with the rating system. After evaluation, the contract shall be awarded to the responsible firm or individual whose qualifications, price and other factors considered are the most advantageous to the Commission. The Saginaw Housing Commission reserves the right to seek, through subsequent negotiations, clarification with regard to responses and advise respondents of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements.

The Saginaw Housing Commission reserves the right to reject any or all proposals and to waive any informality in proposals received in proposals received whenever such rejection is in the interest of the SHC. SHC is prohibited from awarding contracts to firms which appear on the Federal Consolidation Debarred, Suspended, and Ineligible List.

BID OUTLINE

1. Introduction

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Provide a company profile and outline general capabilities and strength of the firm; as well as a brief overview of the company history and clientele.

2. Personnel Profile

Provide an individual profile of the staff that will be the principals involved in the engagement along with their specific responsibilities and approximate hours. The profile must include education, background, length of experience as an auditor, positions/duration held and any other pertinent information that is deemed relevant.

3. Vendor Statement of Performance

Highlight special features included in the audit process.

4. Statement of Cost Guarantees

List inclusive periods during which prices for services quoted will not be increased; in addition to terms and conditions proposed will be guaranteed for all services.

5. Documentation

Attach required documentation and forms related to RFP.

- A. Saginaw Housing Commission Bid Form
- B. HUD Form 5369-A: Representations, Certifications and Other Statements of Bidders
- C. Non-Collusive Affidavit
- D. State of Michigan Business License
- E. Certification for Small, Minority or Women-Owned Business

6. Appendix

Any information for which there is no convenient section outlined above may be addressed.

SELECTION CRITERIA

Selection of the Independent Auditor (IA) shall be based upon an evaluation of the responses received addressing the following criteria, listed together with their relative weight of importance:

1. Demonstration of the IA's ability to perform the work, as evidenced by the profiles of the principals' professional and technical competence and experience as well as the identification of the actual audit team members to be assigned to the engagement, together with their individual resumes of education/experience and a description/location of the IA's offices. Respondents must demonstrate ability to comply with HUD electronic submission requirements via FASS, **25%**.

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2. Demonstrated capability to provide the professional services in a timely manner as evidenced through an analysis of the IA's current workload vs. staffing and through past performance in terms of quality of work and compliance with review criteria as evidenced through the provision of a minimum of **three (3)** client references (Name, contact person, address & telephone number, with a description of services provided) for similar public housing authorities within the last three (3) years, **20%**.

3. Evidence that the IA Firm or individual is currently licensed, registered and otherwise legally authorized to do business in the State of Michigan, **5%**.

4. Demonstrated knowledge of the Auditing Standards for HUD programs, as evidenced through a comprehensive citation of reference standards and testing protocol to be used in the audit, **10%**.

5. Certified statement that the IA is not debarred, suspended nor otherwise prohibited from professional practice by any Federal, State or local agency, certification that the IA will comply with the provisions of Section 3 of the HUD Act of 1968 as amended, and certification that the IA has not colluded with nor arranged with any other party whom may have any interest herein to determine its price, **5%**.

6. Evidence of certified minority or woman ownership status (51% or more owned, operated and controlled by a minority individual or female), **5%**, and Section 3 ownership preference, **5%**, if applicable.

7. Price, in the form of separate lump-sum fixed fee amounts for each year of the five-year term, inclusive of all services enumerated above in this RFP. Payment will be made in one payment upon the completion and acceptance by the Board or Commissioners of the required auditing services for each fiscal year of the audit, **25%**.