



REQUEST FOR PROPOSAL
FINANCIAL AUDIT SERVICES
(RFP 2022-00102)

1. Purpose

The South Central Texas Regional Certification Agency (“SCTRCA”) is soliciting for proposals from qualified public 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 to perform a financial and compliance audit of SCTRCA.

Key Dates

RFP Posted	August 17, 2022
Deadline for Questions	August 31, 2022 at 3 PM CST
Question and Answers Posted	September 2, 2022 at 3 PM CST
RFP Deadline	September 19, 2022 at 3 PM CST
Potential Interviews	September 28, 2022

2. Background

Incorporated on September 23, 1998, the SCTRCA is a non-profit 501(c)(3) corporation established by certain local governments and other qualified entities (“Participants”), who entered into an Interlocal Cooperation Agreement in the same year for the purpose of receiving, reviewing, auditing and certifying applications for disadvantaged, minority and/or women-owned businesses for the Participants.

The SCTRCA provides services to San Antonio and certain surrounding counties, as determined from time to time, in accordance with the Texas Unified Certification Program (“TUCP”) and SCTRCA Board Policy and Procedures. The SCTRCA governing board consists of designated representatives of the Participants and has an annual budget of approximately \$400,000.

3. Scope of Work

The SCTRCA seeks services to conduct a Financial Audit. The contracted services will be for a financial audit of the fiscal years ending in September 2020, 2021 and 2022. This audit will be conducted in accordance with Generally Accepted Auditing Standards (GAAP). There is a possibility of up to two contractual renewal terms for the auditing of financials for the fiscal years ending in September 2023 and 2024. The SCTRCA is requesting the following:

1. Independent Auditor’s Report to be conducted in accordance with auditing standards generally accepted in the United State of America;
2. Management Letter with findings and recommendations;

3. Report of the conduct of the audit (optional);
4. Annual Financial Statement;
5. Federal Single Audit (if applicable)
6. Meetings – for the Committee post-audit and at completion /pre-filing of Form 990 as well as one Board Meeting presentation of the Audit Report;
7. Preparation of the 990 and any other required tax filings required for the SCTRCA;
8. Audit, accounting, 990 and IRS consultation services and technical assistance;
9. Keep the SCTRCA informed as to pending and actual changes to Generally Accepted Accounting Principles (GAAP), to include but not limited to Financial Accounting Standards Board (FASB) pronouncement, financial disclosures and reporting guidelines being considered by authoritative bodies, that may impact the SCTRCA financial statements.
10. The firm is to deliver one electronic copy of the draft audit report the SCTRCA’s Executive Director, Board of Director Chairperson and Treasurer. The draft audit report is due 90 business days after commencement of contract.
11. The Firm shall deliver a final audit report electronically to the SCTRCA’s Executive Director, Board of Director Chairperson and Treasurer no later than 30 business days post draft acceptance.

Reports may be submitted earlier than above schedule. However, the Firm shall not delay or prolong the schedule unless it receives written approval from the Executive Director.

The Firm will deliver a draft audit and a final audit. The reports should include internal control and program compliance observations and recommendations in addition to all applicable other deliverables. The Independent Auditors shall meet with the Executive Committee to discuss a draft report as well as the draft version of the financial statements before finalizing the audit report or financial statements. The final audit will be provided to the full Board of Directors for review, discussion and acceptance. The Independent Auditors will present the Audit Report and Financial Statements to the Board of Directors at a designated Board of Directors Meeting. That discussion will include observations and recommendations which must be summarized in writing if not included in the Final Report.

4. Instructions to Bidders

4.1 Questions. All questions concerning the RFP should be made in writing. Please email the SCTRCA at info@sctrca.org no later than September 2, 2022 at 3 PM CST. The subject line should indicate RFP question/clarification. Any questions received after said date and time are at the discretion of the Finance Committee of the SCTRCA to answer.

4.2 Submittals. All bids must be received by September 19, 2022 by 3 PM CST.

Submissions may be emailed to the SCTRCA at info@sctrca.org The subject line of the email should read “SCTRCA - RFP 2022-102 Financial Audit Services” for SCTRCA Financial Audit Services.

Submissions may be mailed or hand delivered in a sealed envelope to the SCTRCA office at:

South Central Texas Regional Certification Agency
3201 Cherry Ridge St. Ste B-210
San Antonio, Texas 78230

The bid should clearly marked "SCTRCA - RFP 2022-102 for SCTRCA Financial Audit Services".

Please note that the SCTRCA is not responsible for any delays in mail from a carrier. Late bids will not be accepted

5. Payment and Certain Contractual Terms

5.1 An invoice for payment may be submitted to the SCTRCA when the Independent Auditor delivers and the SCTRCA receives and accepts the draft audit. The SCTRCA reserves the right to reject the report of the Independent Auditor. The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Firm submits the final invoice for payment.

5.2 The SCTRCA may withhold, amend, or reject any request for payment by the Independent Auditor under conditions that include the following:

- 5.2.1 Independent Auditor's failure to invoice;
- 5.2.2 Errors or mistakes in the Auditor's invoice and/or defects;
- 5.2.3 Errors and omissions in the documents prepared by the Auditor or Auditor's sub-consultants which are the basis for the payment request; and
- 5.3.4 Failure of the Auditor to render any service as stipulated by this Agreement.

If any of these conditions exist, then interest charges will not be applicable. The SCTRCA shall provide the Independent Auditor with written notice through its Executive Director of its intention to withhold, amend, or reject any request for payment by the Auditor. Within ten (10) business days after the date of notice sent by the SCTRCA to the Independent Auditor, representatives of the SCTRA will meet with representatives of the Independent Auditor at a mutually agreed time to discuss the circumstances surrounding the determination to withhold, amend, or reject any request for payment by the Auditor.

5.3 Upon delivery of final audit and presentation to the Board of Directors, the Firm may submit a final invoice for any balance due on the contract for the audit services rendered.

5.4 Alternative Dispute Resolution. Any controversy or claim arising out of or relating to this contract is to be settled at the lowest level possible. If the parties to this contract are unable to come to a resolution on their own, then any arising dispute shall be

resolved first by Mediation with a mutually agreed upon Mediator. If Mediation is unsuccessful, then the next method of seeking resolution shall be by Arbitration, in accordance with the rules of the American Arbitration Association or JAMS as agreed upon by the parties. The cost of both Mediation and, if necessary, Arbitration shall be shared equally by both parties. The decision rendered may be entered in any court having jurisdiction.

5.5 Insurance Requirements/Indemnification. The SCTRCA requires the Independent Auditor to maintain the same insurance requirements as those set forth in Attachment A, Insurance Provisions. Nothing in this contract or any subcontractor agreement shall create any contractual obligation or other liability of the SCTRCA to any subcontractor or its employees. The Independent Auditor agrees to bind every subcontractor to the terms of this contract.

6. Confidentiality

Whereas, the Parties have entered into a business relationship which will involve the disclosure by SCTRCA to the Independent Auditor of certain confidential, privileged, technical, financial, business, marketing, planning, and other information, ideas, concepts, designs, specifications, and data, in written, oral, electronic, photographic, and/or other forms, including without limitation, information about SCTRCA's services and operations, and its clients' data (collectively "Confidential Information"). This Confidential Information is not generally known to the public or to others who could obtain economic value from its disclosure or use of the Confidential Information. This disclosure includes all communication between the Parties, in any form whatsoever, including oral, written, electronic or machine-readable format.

Whereas, SCTRCA is willing to disclose and the Independent Auditor is willing to receive Confidential Information based upon the terms and conditions set forth herein.

NOW, THEREFORE, THE PARTIES HEREBY AGREE TO THE FOLLOWING TERMS AND CONDITIONS AS THEY RELATE TO THE DISCLOSURE OF CONFIDENTIAL INFORMATION CONSIDERED PROPRIETARY BY SCTRCA AND THE INDEPENDENT AUDITOR.

6.1 Confidential Information.

Confidential Information includes any and all information that should be reasonably understood by The Independent Auditor, because of markings or legends, the circumstances of disclosure, or the nature of the information itself, to be Confidential Information, regardless of whether the information is marked "Confidential." All information obtained during the course of this relationship should be presumed to be confidential unless the information is clearly identified as otherwise or the circumstances of disclosure demonstrate it is not confidential.

Confidential information also includes, without limitation, information: (a) created, written, discussed, developed, secured, obtained or learned, solely or jointly with others, at the request of or suggestion of SCTRCA or otherwise, with SCTRCA materials, tools, or instruments, on or off SCTRCA premises; and (b) all confidential and proprietary

material that The Independent Auditor may design, create, produce or develop during the course of this relationship.

The Independent Auditor agrees to promptly and fully disclose to SCTRCA any Confidential Information the Independent Auditor designs, creates, produces or develops in the course of the Independent Auditor's relationship with SCTRCA which is subject to copyright protection or which may be protected as a trade secret.

Additionally, notwithstanding the above, the definition of "Confidential Information" herein shall be deemed not to include information that is specifically identified by SCTRCA as not being proprietary or confidential.

Any information that is provided by SCTRCA as SCTRCA client data is classified, by default, as Confidential Information regardless of whether or not the Confidential Information is labeled as such.

The Independent Auditor agrees that, if at any time during the term of this contract with SCTRCA, the Independent Auditor has questions or is unsure about whether Confidential Information or knowledge is either proprietary or confidential to a third party or to SCTRCA, the Independent Auditor will promptly ask SCTRCA any questions the Independent Auditor may have as they arise from time to time.

6.2 Maintain as Confidential.

The Independent Auditor agrees to receive the Confidential Information in confidence, agrees to treat and hold as confidential and private the Confidential Information, and will refrain from using the Confidential Information for any purpose other than the purpose of this SCTRCA Project, as covered under the terms of this Agreement.

6.2.1 The Independent Auditor shall use such Confidential Information only for the purpose of the SCTRCA Project.

6.2.2 The Independent Auditor shall restrict disclosure of Confidential Information to its employees with a need to know and advise its employees of the obligations assumed in this Agreement.

6.2.3 The Independent Auditor shall not disclose such Confidential Information to any third party except as otherwise provided in this Agreement.

6.2.4 The Independent Auditor shall protect such Confidential Information by using the same degree of care, which shall be no less than reasonable care, to prevent its unauthorized disclosure as the Independent Auditor uses to protect its own confidential information of similar nature.

6.2.5 The Independent Auditor's obligation to keep the Confidential Information in confidence, as provided in this Agreement, shall remain in effect, without exception, until the Independent Auditor can prove that such item of Confidential Information was either (1) made public through no fault of the Independent Auditor or (2) was lawfully

obtained by the Independent Auditor after the termination from a source other than SCTRCA without a breach of duty of confidentiality.

6.3 Disclosure to the Independent Auditor's collaborating partners or employees.

Notwithstanding the restrictions in Section 2, the Independent Auditor may disclose Confidential Information to the Independent Auditor's collaborating partner or customer on a need-to-know basis if each of the following conditions are met:

6.3.1 The Independent Auditor executes a non-disclosure agreement with such party with safeguards against disclosure, with the exception of Section 3, that are substantially similar and no less restrictive than the terms and conditions of this Agreement;

6.3.2 Such collaborating partner or customer must expressly agree that the Confidential Information is provided as a courtesy by the Independent Auditor creating no duty, obligation or other relationship between such party and SCTRCA;

6.3.3 The Independent Auditor acknowledges by its signature hereto that disclosure of the substance of the Confidential Information, in whole or in part, shall be deemed a breach of this Agreement between the Independent Auditor and SCTRCA; and,

The Independent Auditor agrees in the event of a disclosure of Confidential Information by such party, the Independent Auditor shall be obligated to bring an action against such party to enforce the terms of the non-disclosure agreement between the Independent Auditor and such party. In no event shall a non-disclosure agreement between another party and the Independent Auditor permit such party to disclose information to any third party absent SCTRCA express consent.

6.4 Mandatory Disclosure Requirement.

Each Party further agrees that if the Independent Auditor is legally required, for example by a court order, to disclose any portion of SCTRCA's Confidential Information, the Independent Auditor shall promptly notify SCTRCA so that SCTRCA may seek an appropriate order or waive compliance with the provisions of this Non-Disclosure Agreement. If compliance with this Non-Disclosure Agreement is waived, or a protective order is not granted, the Independent Auditor agrees to furnish only that portion of the Confidential Information which is legally required and will exercise his/her reasonable best efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so disclosed. It is agreed and understood that disclosure of Confidential Information in accordance with this paragraph shall not violate this Non-Disclosure Agreement.

The restrictions on the disclosure of Confidential Information shall not preclude the Independent Auditor, on advice of legal counsel from complying with applicable law, regulation, other governmental requirement or other demand under lawful process, if the Independent Auditor first gives notice to SCTRCA of the required disclosure and cooperates with SCTRCA in seeking reasonable protective arrangements. In no event shall the Independent Auditor be required to take any action which, on the advice of

legal counsel, could result in the imposition of sanctions or other penalties in a court of law or an administrative or governmental body.

6.5 Title to Confidential Information.

All rights, title and interest in and to all Confidential Information related to this SCTRCA Project is vested exclusively in SCTRCA, including but not limited to, Confidential Information or work product which the Independent Auditor may author, create or develop in the course of the Independent Auditor's relationship with SCTRCA.

No license, under any trademark, patent, copyright or any other intellectual property right, is either granted or implied by the conveying of Confidential Information to the Independent Auditor. None of the information disclosed by SCTRCA shall constitute any representation, warranty, assurance, guarantee or inducement by SCTRCA of any kind, particularly with respect to the non-infringement of intellectual property rights, or other rights of third parties of SCTRCA.

7. Proposal Evaluation

The responsive proposals will be reviewed and scored by members of the SCTRCA's Finance Committee based off criteria listed below. If deemed necessary, interviews will be scheduled. The Finance Committee will then make recommendations to the full Board of Directors to proceed with negotiations and contract execution.

Criteria

Qualification of Proposed Staff	50
Price	20
Company Background	20
Proposed Schedule and Methodology	10

8. Instructions and Format for Submissions

The proposal should be no longer than 40 pages in length on 8 x 11 paper. Proposal should clearly indicate a point of contact name, phone number, email address and return address. The proposal should include and be organized as follows:

1. Title Page
2. Executive Summary
3. Company Background
 - a. Include any certifications or identify your firm as local, which is presently the 14-county region that the SCTRCA services
 - b. Company size and structure
 - c. Peer Reviews
 - d. Successful contracts with other nonprofit organizations
 - e. Evidence of the firm's qualifications to provide the above services
4. Proposed Staff

- a. Please only include staff that will work on the audit team. Such items to include are
 - i. Resumes,
 - ii. Certifications,
 - iii. Licenses,
 - iv. Education,
 - v. Position in the firm;
 - vi. Years of experience.
5. Proposed Schedule and Methodology
 - a. Statement of the firm's understanding of work to be performed, including tax and non-audit services;
 - b. Confirm all tasks that will be performed
 - c. Milestones
6. Quality assurance procedures Price
 - a. Proposed fee structure for the proposal period, including whatever guarantees can be given regarding increases in future years, and the maximum fee that would be charged
 - b. Describe your billing rates and procedures for technical questions that may come up during the year, or whether these occasional services are covered in the proposed fee structure.
7. References and contact information from at least two (2) comparable nonprofit audit clients.

Attachments

Attachment A: SCTRCA Insurance Provisions

ATTACHMENT A
SCTRCA INSURANCE REQUIREMENTS

With respect to Contractor's performance under this Agreement, and in addition to Contractor's obligation to indemnify, Contractor shall at its sole cost and expense:

1. Maintain the insurance coverages and limits required by this Attachment and any additional insurance and/or bonds as may be required by Laws:
 - a. At all times during the term of this Agreement and until completion of all Work associated with this Agreement, whichever is later; and
 - b. With respect to any coverage maintained in a "claims-made" policy, for two (2) years following the term of this Agreement or completion of all Work associated with this Agreement, whichever is later. If a "claims-made" policy is maintained, the retroactive date must precede the commencement of all Work under this Agreement;
2. Require each subcontractor who may perform Work under this Agreement or enter upon the Work site to maintain coverages, requirements, and limits at least as broad as those listed in this Exhibit, and in accordance with this Agreement, from the time when the subcontractor begins Work, throughout the term of the subcontractor's Work and, with respect to any coverage maintained on a "claims-made" policy, for two (2) years after Work is completed;
3. Procure the required insurance from an insurance company (1) eligible to do business in the state of Texas and/or states where Work will be performed, (2) having and maintaining a Financial Strength Rating of "A-" or better and (3) a Financial Size Category of "VII" or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies, except that, in the case of Workers' Compensation insurance, Contractor may procure insurance from the state fund of the state where Work is to be performed; and
4. Deliver to SCTRCA certificates of insurance stating the types of insurance and policy limits for each required coverage. Contractor shall provide or will endeavor to have the issuing insurance company provide at least thirty (30) days advance written notice to SCTRCA of cancellation, non-renewal, or reduction in coverage, terms, or limits. Contractor shall deliver such certificates:
 - a. Prior to execution of this Agreement and prior to commencement of any Work;
 - b. Prior to expiration of any insurance policy required in this Section; and
 - c. For any coverage maintained on a "claims-made" policy, for two (2) years following the term of this Agreement or completion of all Work associated with this Agreement, whichever is later.

5. The Parties agree that:
 - a. The failure of SCTRCA to demand such certificate of insurance or failure of SCTRCA to identify a deficiency will not be construed as a waiver of Contractor's obligation to maintain the insurance required under this Agreement;
 - b. The insurance required under this Agreement does not represent that coverage and limits will necessarily be adequate to protect Contractor, nor shall it be deemed as a limitation on Contractor's liability to SCTRCA in this Agreement;
 - c. Contractor may meet the required insurance coverages and limits with any combination of primary and Umbrella/Excess liability insurance; and
 - d. Contractor is responsible for any deductible or self-insured retention.
6. The insurance coverage required by this Attachment, in accordance with this Agreement includes:
 - a. Workers' Compensation insurance with benefits afforded under the laws of any state in which the Work is to be performed and Employers Liability insurance with limits of at least:
 - \$500,000 for Bodily Injury – each accident
 - \$500,000 for Bodily Injury by disease – policy limits
 - \$500,000 for Bodily Injury by disease – each employee
 - b. To the fullest extent allowable by law, the policy must include a waiver of subrogation in favor of SCTRCA and its directors, officers and employees.
 - c. In states where Workers' Compensation insurance is a monopolistic state-run system, Contractor shall add Stop Gap Employers Liability with limits not less than \$500,000 each accident or disease.
7. Commercial General Liability insurance written on Insurance Services Office (ISO) Form CG 00 01 12 04 or a substitute form providing equivalent coverage, covering liability arising from premises, operations, personal injury, products/completed operations, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) with limits of at least:
 - \$1,000,000 General Aggregate limit
 - \$1,000,000 each occurrence limit for all bodily injury or property damage incurred in any one (1) occurrence
 - \$1,000,000 each occurrence limit for Personal Injury and Advertising Injury
 - \$1,000,000 Products/Completed Operations Aggregate limit
8. The Commercial General Liability insurance policy must:

- a. Include SCTRCA and its directors, officers, and employees as Additional Insureds. Contractor shall provide a copy of the Additional Insured endorsement to SCTRCA. The Additional Insured endorsement may either be specific to SCTRCA or may be “blanket” or “automatic” addressing any person or entity as required by contract.

A copy of the Additional Insured endorsement must be provided within thirty (30) days of execution of this Agreement and within thirty (30) days of each Commercial General Liability policy renewal;

- b. Include a waiver of subrogation in favor of SCTRCA and its directors, officers and employees; and
 - c. Be primary and non-contributory with respect to any insurance or self-insurance that is maintained by SCTRCA.
9. Professional Liability (Errors & Omissions) insurance with limits of at least \$1,000,000 each claim or wrongful act and in the aggregate.