



REQUEST FOR PROPOSAL

Single Audit Services for the Program Year

July 1, 2017-June 2018

Issued: Friday, August 27, 2018

Northern Rural Training and Employment Consortium (NoRTEC)

A Proud Partner of America's Job Center of California Network

525 Wall Street, Chico, CA 95928

(530) 892-9600

NoRTEC Is an Equal Opportunity Employer and provider of employment and training programs.

Michael Cross, Executive Director

mcross@ncen.org

SECTION 1: PURPOSE, FUNDING AND BACKGROUND

RFP PURPOSE AND TENTATIVE SCHEDULE

The Northern Rural Training and Employment Consortium (NoRTEC) is issuing this Request for Proposals (RFP) to interested and qualified applicants with experience in conducting Audit Services of Workforce Innovation and Opportunity Act (WIOA) programs and/or related Federal awards in accordance with Generally Accepted Government Accounting Standards (GAGAS). NoRTEC serves as both the grant recipient and administrative entity for WIOA and other federal and state job training funds in the 11-County NoRTEC region. NoRTEC also receives non-federal awards from various funding sources which will also be part of the scope of the audit.

The Single Audit Act and its Amendments require that NoRTEC have independent financial and compliance audits of its federal funds performed annually. The period of performance for the audit services will be July 1, 2017, through June 30, 2018, with the Single Audit and tax preparation for fiscal year ending June 30, 2018, and technical assistance provided during the contract.

ELIGIBILITY

NoRTEC intends to contract with an independent public accounting firm to perform an audit of NoRTEC's financial statements, a Single Audit in conformance with the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule" (Uniform Guidance), to provide general ledger accounting technical assistance, and to prepare tax returns. The respondent must be a licensed certified public accounting or a public accounting firm licensed in the State of California and meet the standards of the Government Accounting Office Standards for audit of governmental organization.

PROPOSAL SUBMITTAL AND DUE DATE

Proposals must be received in the NoRTEC Administrative Office no later than **5:00 p.m. on Friday, September 21, 2018** (postmarks not accepted). Proposals may be mailed, hand-delivered, or e-mailed to:

NoRTEC
Attention: Jeanne Hough, Fiscal Director
525 Wall Street
Chico, CA 95928
(530)892-9600, x209
E-mail: jhough@ncen.org

E-mailed proposals must be formatted as PDF. Proposals in other file formats will not be reviewed. Faxed proposals will not be accepted.

TENTATIVE SCHEDULE OF EVENTS

RFP Release Date	Monday, August 27, 2018
Proposal Deadline	Friday, September 21, 2018
Formal Review of Proposals	Friday, September 28, 2018
Award of Contract	Monday, October 1, 2018
Anticipated Contract Start Date	Mid-November 2018

**These dates/times are subject to change*

RFP CONTACT

RFP Contact Person and mailing address for questions about the proposal process or technical issues:

Jeanne Hough, Fiscal Director
NoRTEC
525 Wall Street, Chico CA 95928
jough@ncen.org
(530) 892-9600 x209

ADDENDA TO THIS REQUEST FOR PROPOSALS

At the discretion of NoRTEC, if it becomes necessary to revise any part of this RFP, an addendum will be provided to all known recipients of this RFP and posted on NoRTEC's website. Any clarification will become an addendum to this RFP.

Respondents are responsible for checking the website frequently to remain informed about the procurement process and other information that may affect this RFP (e.g. WIOA reauthorization, changes to performance measures, and revisions to the timeline).

RIGHT TO CANCEL

NoRTEC reserves the right to cancel all or any part of this RFP at any time without prior notice and reserves the right to modify the RFP process and time line as is deemed necessary.

NONRESPONSIVE PROPOSALS

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

- The proposal is not received on a timely basis in accordance with the terms of this RFP.
- The proposal does not include all of the specified elements.

- The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with all of the auditing standards and requirements specified in this RFP.
- The proposal indicates that the audit reports would not be made available to NoRTEC in the time frames outlined in this RFP.

SECTION 2: BACKGROUND

OVERVIEW OF NORTEC

The Northern Rural Training & Employment Consortium (NoRTEC) headquartered in Chico, California, administers Workforce Innovation and Opportunity Act programs in eleven Northern California counties. Established in 1983, NoRTEC is led by a Governing Board and Workforce Development Board (WDB) that oversee a broad range of programs and initiatives. The WDB includes representatives from small, medium and large businesses, labor organizations, education, economic development, community based organizations and one-stop partners.

NoRTEC is a special district organized under a Joint Powers Agreement to provide United States Department of Labor (USDOL) Workforce Innovation and Opportunity Act (WIOA) and has established contracts with nonprofit agencies in eleven counties to ensure job seekers and businesses have access to a comprehensive array of job training and employment services. The counties in NoRTEC service area are Butte, Del Norte, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity. The NoRTEC Administrative Entity office and all audit records are located in Chico, California. Additional information about NoRTEC can be obtained at www.ncen.org.

DESCRIPTION OF RECORDS TO BE AUDITED

NoRTEC has annual revenues of approximately \$19 million. These revenues are comprised primarily of Federal Workforce Innovation and Opportunity Act (WIOA) funding through sub-grants with the State of California, Employment Development Department. Other funding sources include grants with the US Department of Labor and some smaller funding sources.

Of the total \$19 million, approximately 1.5 million is expended directly by NoRTEC, and the remainder is subcontracted for program services.

NoRTEC currently has four (4) primary subcontracts for WIOA program services with four (4) non-profit agencies serving the eleven (11) county NoRTEC service area. It is not anticipated that the audit firm will need to conduct any on-site work at the subcontractor's offices.

All NoRTEC subcontractors submit an annual Single Audit Report covering all funds received from NoRTEC.

NoRTEC maintains two bank accounts: one account for receipt of funds from the State (Main account) and disbursement to subcontractors, and one account for Administrative Entity activity (AE account). NoRTEC processes weekly electronic payments to program subcontractors from the Main account and approximately 1,500 checks a year on the AE account. There is an additional Money Market account with minimal activity.

NoRTEC maintains accounting records utilizing a computerized fund accounting package (Abila MIP), supplemented by computerized spreadsheet subsidiary reports.

OPTIONS

At the discretion of NoRTEC, the audit contract may be extended for two additional one-year periods. The cost for the option periods will be agreed upon by NoRTEC and the selected audit firm. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the initial contract year.

SECTION 3: SPECIFICATION SCHEDULE

A. Scope of Financial and Compliance Audit

1. The audit must be in compliance with the following:
 - a. Single Audit Act - The audit will be conducted in conformance with the requirements of the Single Audit Act and related amendments.
 - b. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance.)
 - c. WIOA Compliance - The audit will be conducted in conformance with the compliance review requirements of WIOA.
 - d. Government Audit Standards - The audit will be conducted in conformance with the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions.
 - e. State Controller - The audit will be conducted in conformance with the California State Controller's Office, Division of Audits, Single Audit Procedure Guide for Local Governments (updated annually). A copy of the audit requirements can be obtained directly from the State Controller's office.

- f. AICPA - The audit will be conducted in conformance with generally accepted auditing standards for audits of state and local governmental units as established by the American Institute of Certified Public Accountants.

B. Performance:

NoRTEC's records are to be audited for the period July 1, 2017 through June 30, 2018. The audit firm is required to prepare audit reports in accordance with the requirements previously described.

C. Delivery Schedule

1. Field Work - On-site audit work should begin as soon as practicable after the final negotiations for the audit contract but in no event later than December 5, 2018.
2. Draft - The Proposer will deliver a draft report for NoRTEC review no later than January 15, 2019.
3. Final - The Proposer will deliver one (1) PDF copy and five (5) bound copies of the final report to NoRTEC no later than February 29, 2019.
4. Reports may be submitted earlier than the above schedule. However, if the Proposer fails to make delivery of the audit reports within the time schedule specified herein, or if the Proposer delivers audit reports which do not conform to all of the provisions of this proposal and the subsequent contract, NoRTEC may, with written notice of default to the Proposer, terminate the whole or any part of the audit contract. Under certain extenuating circumstances with sufficient justification as determined by NoRTEC, the delivery schedule may be extended upon written request.

D. Payments

Full payment will be made when NoRTEC has determined that the total work effort has been satisfactorily completed. Should NoRTEC reject a report, NoRTEC's authorized representative will notify the Proposer in writing of such rejection, giving the reasons. The right to reject a report shall extend throughout the term of the audit contract and for ninety (90) days after the Proposer submits the final report and invoice for payment.

Progress payments may be allowed to the extent that NoRTEC can determine that satisfactory progress has been made and will be negotiated prior to issuance of the contract. Upon delivery of all copies of the final report and NoRTEC's acceptance and approval of the report, the Proposer may submit a bill for the balance due on the contract for the audit.

E. Audit Review

1. NoRTEC - The audit will be reviewed by NoRTEC for compliance with the previously described audit standards. In the event the audit report does not comply with any of

the auditing requirements, as determined by NoRTEC, the Proposer will be responsible for revising the report to the appropriate specifications without additional remuneration.

2. State Controller - The audit will be reviewed by the California State Controller for compliance with the previously described audit standards. In the event the audit report does not comply with any of the auditing standards, as determined by the State Controller, the Proposer will be responsible for revising the report to the appropriate specifications without additional remuneration.

NoRTEC reserves the right to withhold final payment until acceptance of the report by the State Controller and the Employment Development Department. The acceptance process generally takes thirty (30) days, or less, from receipt of the report by the State offices and would not normally exceed ninety (90) days.

F. Working Papers

Upon request, the Proposer will provide copies of all working papers pertaining to any questioned costs determined in the audit. The working papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem. The Proposer will retain all working papers for at least three years from the date of acceptance of the audit. All working papers will be available for examination by authorized representatives of NoRTEC, the State of California, the Department of Labor, the Office of the Inspector General, or the U.S. General Accounting Office.

G. Confidentiality

The Proposer agrees to keep all information related to NoRTEC in strict confidence. Other than the reports submitted to NoRTEC, the Proposer agrees not to publish, reproduce or otherwise divulge such information, in whole or in part, in any manner or form or to authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information while in the Proposer's possession. Proposer's employees will have access to the information only on a "need-to-know" basis. The Proposer agrees to immediately notify NoRTEC, in writing, in the event the Proposer determines or has reason to suspect a breach of this requirement.

SECTION 4: PROPOSAL REQUIREMENTS

The proposal must include, at a minimum, the following elements:

1. General Description - Describe the Proposer's organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. Include a copy of the most recent Peer Review if the Proposer has had a

Peer Review in the last three years. If the Proposer has not had a Peer Review, it should be so stated in the proposal.

2. **Prior Auditing Experience** - Describe the firm's prior auditing experience and include a list of references who may be contacted by NoRTEC. Specifically describe auditing experience in the following areas:
 - a. Prior experience auditing Special Districts or other Governmental Organizations in the State of California.
 - b. Prior experience auditing organizations funded by the Workforce Investment Act in the State of California.
3. **Staff Qualifications** - Describe the qualifications of the staff to be assigned to this audit. Descriptions will include:
 - a. Audit team makeup.
 - b. Overall supervision to be exercised.
 - c. Prior experience of the individual audit team members. Please include only resumes of staff to be assigned to this audit. Do not include information on general partners, etc., who would not normally be involved in this audit. Education, position in firm, years and types of experience, and continuing professional education should be addressed in the narrative or the resumes provided.
4. **Understanding of Work to be Performed** - Describe your understanding of the work to be performed, including audit procedures, estimated hours, and other pertinent information.
5. **Price** - Submit a price for services as a separate attachment to the proposal. Include information indicating how the price was determined. For example, indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Show any estimated out-of-pocket expenses or contingencies.
6. **Time Frame** - Indicate the anticipated start date of on-site work, date for receipt of the draft report, and date of receipt for the final report. Although this may be subject to change, indicate the approximate number of days anticipated for the on-site work.
7. **Certifications** - The Proposer must sign and include as an attachment to its proposal the Certifications enclosed with the RFP. The publications listed in the certifications will not be provided to proposers by NoRTEC.

SECTION 5: RATING

COMPLIANCE REVIEW

Upon receipt of proposals, staff will review submitted proposals for completeness and technical compliance with the terms and conditions of the RFP. All proposals must adhere to the required format and, in order to be competitive, must include all of the requested information, completed forms, and attachments. Proposals that do not adhere to these requirements will be determined non-responsive and will not be considered for funding. NoRTEC reserves the right to reject any proposal submitted.

EVALUATION CRITERIA

NoRTEC will put together an RFP Scoring Panel of staff who will score and rank all proposals that meet the compliance requirements described below. The RFP Scoring Panel will score and rank all proposals using the criteria described within the RFP, and specifically developed to examine the competence of the Respondents and suitability of their proposals. The RFP Scoring Panel may assign each proposal a maximum of 100 points. A maximum of 75 of those points are based on the technical criteria and 25 maximum points are based on the cost criteria. Panel members will review and rank each proposal and, based on their knowledge and assessment of the proposals, recommend one of the respondents for designations and contract negotiation.

Proposals will be evaluated on the basis of technical and cost factors described as follows:

- A. Numeric Rating System - 100 Maximum Points
 - 1. The audit firm's prior experience auditing similar organizations.
 - a. Prior experience auditing governmental organizations: 0 - 10 points.
 - b. Prior experience auditing organizations funded by the WIA: 0 - 25 points.

Note: NoRTEC will verify the experience claimed by the Proposer.
 - 2. Minority/small business: 0 - 5 points.
 - 3. Qualifications of staff to be assigned to the audit, as determined by resumes and other information submitted: 0 - 25 points.
 - 4. Proposer's understanding of the work to be performed: 15 Points.
 - 5. Price: 0 - 20 points.

- B. Review Process

NoRTEC may, at its discretion, request presentations by or meetings with any Proposers to clarify or negotiate modifications to the proposals. However, NoRTEC reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms the Proposer can provide from both technical and price standpoints. NoRTEC anticipates awarding the contract to the Proposer with the highest total points.

Respondents must have a total average score of 75 points or higher to be recommended for funding.

ACCESS TO SCORE SHEET AND COMMENTS

Individual score sheets and comments used during the evaluation process may be provided in the form of summaries as prepared by NoRTEC staff. Actual individual scores sheets will not be disclosed. These summaries will be provided to applicants of the RFP who submit a written request. Requests for this information shall be responded to within ten (10) business days of the final contract/agreement recommendations and any appeals submitted. The purpose for releasing this information is for technical assistance and continuous improvement and not for purpose of an appeal.

NEGOTIATION/AGREEMENT

All Respondents shall designate an authorized negotiator. (The name and contact information for this person must be included on the title page of the proposal.) This designated person must be empowered to make binding commitments for the successful Respondent and its subcontractors, if any. NoRTEC reserves the right to negotiate the final terms of the contract/agreement with the successful Respondent(s). Items that may be negotiated include, but are not limited to, the scope of work, the staff as proposed, the implementation schedule, and the final award amount.

NOTIFICATION OF AWARD

It is expected that a decision will be made within 30 days of the closing date. Upon conclusion of final negotiations with the successful proposer, all proposers will be informed in writing of the name of the successful audit firm.

It is expected that a letter of agreement will be executed with the successful audit firm prior to October 15, 2018.

SECTION 6: DISCLAIMERS AND GENERAL PROVISIONS

MINORITY BUSINESS PARTICIPATION

NoRTEC, as a recipient of State and Federal funds, subscribes to the practices below and will fully comply with Federal, State, and Local laws and directives governing non-discrimination, equal opportunity, and affirmative action in all activities.

- No person shall be discriminated against whatsoever on the grounds of race, religion, color, age, sex, physical handicap, or national origin.
- No person shall because of race, religion, color, age, sex, physical handicap, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to

discrimination under any program or activity funded entirely or in part by the City, the State, or the Federal Government.

- Affirmative Action shall be taken by all levels of governments, where necessary, to support the underlying objectives of said anti-discrimination policies.

To further support policies relative to affirmative action, equal opportunity, and non-discrimination, NoRTEC will make every effort to ensure that Minority Business Enterprises have the maximum practicable opportunity to participate in construction contracts and in the procurement of goods, professional services, and supplies. Contractors are encouraged to indicate in their RFQ response if they are a certified minority business as certified through the State of California. A listing of certified minority businesses, as well as the services and commodities they provide is available from the Department of General Services 916-375-4940. The listing is published on the Internet at: <http://www.mwbe.com/dir/directory.htm>

THE APPEALS PROCESS

NoRTEC must receive written notice of the Proposer's intent to appeal the decision within five (5) working days of receipt of notice of award. Proposer will have a total of 15 days in which to submit a written appeal of NoRTEC's decisions. All grievances arising out of Workforce Innovation and Opportunity Act or this RFQ must be filed according to NoRTEC's established grievance procedures.

CONFLICT OF INTEREST

It is the policy of NoRTEC to prohibit ex-parte communication with any board member, NoRTEC staff, consultants or other persons serving as an evaluator during the procurement process. Respondents that directly contact board members or evaluators risk elimination of their proposals from further consideration.

DISCLAIMERS

1. This RFP does not commit the NoRTEC Workforce Development Board (WDB) to award a contract.
2. No costs will be paid to cover the expense of preparing a proposal or procuring a contract for services or supplies under Workforce Innovation and Opportunity Act.
3. All data, material, and documentation originated and prepared by the bidder pursuant to the contract shall belong exclusively to the NoRTEC and be subject to disclosure under the Freedom of Information Act.
4. Proposals should follow the format set forth in the RFP Response Format and Required Forms section of the RFP and adhere to the minimum requirements specified therein.

5. Formal notification to award a contract and the actual execution of a contract are subject to the following: receipt of Workforce Innovation and Opportunity Act funds by the NoRTEC WDB, results of negotiations between selected proposers and NoRTEC staff; and continued availability of Workforce Innovation and Opportunity Act funds.
6. Any changes to the Workforce Innovation and Opportunity Act program, funding level or board direction may result in a change in contracting. In such instances, NoRTEC will not be held liable for what is in the bidder's proposal or this Request for Proposals package.
7. Proposals submitted for funding consideration must be consistent with, and if funded, operated according to, the federal Workforce Investment Act legislation, all applicable federal regulations, State of California policies, and NoRTEC policies and procedures.
8. Proposers selected for funding must also ensure compliance with the following, Government Auditing Standards, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), WIOA Regulations, and other related requirements.
9. NoRTEC may require selected proposers to attend oral interviews, participate in negotiations and rewrite their statements of work as agreed upon during contract negotiations.
10. Additional funds received by NoRTEC may be contracted by expanding existing programs or by consideration of proposals not initially funded under this RFP. These decisions shall be at the discretion of the NoRTEC Executive Director.
11. NoRTEC may decide not to fund part or all of a proposal even though it is found to be in the competitive range if, in the opinion of the NoRTEC Executive Director, the services proposed are not needed, or the costs are higher than the NoRTEC finds reasonable in relation to the overall funds available, or if past management concerns lead NoRTEC to believe that the bidder has undertaken services that it cannot successfully carry out.
12. NoRTEC may choose not to award a contract to the proposers with lowest cost or highest rating when taking into account other factors such as balancing services to customers.
13. Any proposal approved for funding is contingent on the results of a pre-award site visit that may be conducted by NoRTEC staff. This site visit will establish, to NoRTEC's satisfaction, whether the bidder is capable of conducting and carrying out the provisions of the proposed contract. If the results of the site visit indicate, in the opinion of NoRTEC, that the bidder may not be able to fulfill contract expectations, NoRTEC reserves the right

- not to enter into contract with the organization, regardless of NoRTEC approval of the bidder's proposal.
14. NoRTEC is required to abide by all Workforce Innovation and Opportunity Act legislation and regulations. Therefore, NoRTEC reserves the right to modify or alter the requirements and standards set forth in this RFP based on program requirements mandated by state or federal agencies.
 15. Proposers will be expected to adhere to NoRTEC procedures to collect and verify data and submit required monthly reports as well as invoices to NoRTEC.
 16. All grievances arising out of Workforce Innovation and Opportunity Act or this RFP must be filed according to NoRTEC's established grievance procedures.
 17. All proposers must ensure equal opportunity to all individuals. No individual in the NoRTEC Regional area shall be excluded from participation in, denied the benefits of, or subjected to discrimination under any Workforce Innovation and Opportunity Act funded program or activity because of race, color, religion, sex, national origin, age, disability, English proficiency, or political affiliation or belief.
 18. All proposers must ensure access to individuals with disabilities pursuant to the Americans with Disabilities Act.
 19. Proposers must accept liability for all aspects of any Workforce Innovation and Opportunity Act program conducted under contract with NoRTEC. Proposers will be liable for any disallowed costs or illegal expenditures of funds or program operations conducted.
 20. Reductions in the funding level of any contract resulting from this solicitation process may be considered during the contract period when a bidder fails to meet expenditure, participant, and/or outcome goals specified in the contract or when anticipated funding is not forthcoming from federal or state governments.
 21. Proposers will allow local, state, and federal representatives access to all Workforce Innovation and Opportunity Act records, program materials, staff, and participants. In addition, proposers are required to maintain all Workforce Innovation and Opportunity Act records for three years, beginning on the last day of the program year.
 22. The contract award will not be final until NoRTEC and the bidder have executed a mutually satisfactory contractual agreement. NoRTEC reserves the right to make an award without further discussion of the proposal submitted. No program activity may begin prior to final

- NoRTEC Executive Committee approval of the award and execution of a contractual agreement between the successful bidder and NoRTEC.
23. NoRTEC reserves the right to cancel an award immediately if new state or federal regulations or policy makes it necessary to change the program purpose or content substantially, or to prohibit such a program.
 24. NoRTEC reserves the right to determine both the number and the funding levels of contracts finally awarded. Such determination will depend upon overall fund availability and other factors arising during the proposal review process. Bids submitted which are over the maximum amount of funds specified for this RFP will be rejected.
 25. The proposal warrants that the costs quoted for services in response to the RFP are not in excess of those that would be charged any other individual for the same services performed by the bidder.
 26. NoRTEC reserves the right to reject any or all proposals received and to negotiate with any and all offers on modifications to proposals.
 28. Proposers must accept liability for all aspects of any Workforce Innovation and Opportunity Act program conducted under contract with NoRTEC. Proposers will be liable for any disallowed costs or illegal expenditures of funds or program operations conducted.
 29. Proposers are advised that most documents in the possession of NoRTEC are considered public records and subject to disclosure under the federal and state public records laws.
 30. The Appeals Process - NoRTEC must receive written notice of the Proposer's intent to appeal the decision within five (5) working days of receipt of notice of award. Proposer will have a total of 15 days in which to submit a written appeal of NoRTEC's decisions.