

CAPITAL AREA COUNCIL OF GOVERNMENTS REQUEST FOR PROPOSALS FOR AUDITING SERVICES

General Information

The Capital Area Council of Governments (CAPCOG) is a regional planning commission and political subdivision of the State of Texas organized and operating under the Texas Regional Planning Act of 1965, as amended, Chapter 391 of the Local Government Code and is issuing this request for proposals (RFP) to solicit proposals from interested parties for professional, financial, and compliance audit services of state and federal funds in compliance with state policy and federal regulations, including the Texas Grant Management Standards (TxGMS), and the Single Audit Act of 1996, and 2 CFR Part 200, including the State Single Audit. CAPCOG has a fiscal year starting on October 1 and ending on September 30, and must submit a completed audit to state and federal agencies no later than June 30 following the completion of each fiscal year.

Schedule

Table 1. RFP Schedule

Milestone	Date
RFP Issued	8/4/2023
Deadline for Questions and Letter of Intent	8/18/2023, 4:00 pm Central Time
RFP Update and Responses to Questions Posted	8/23/2023, 4:00 pm Central Time
Proposals Due	<u>9/1/2023, 4:00 pm Central Time</u>
Interviews (tentative)	9/18/2023 – 9/20/2023
Evaluation Completed, Recommendation Submitted to Executive Director	9/25/2023
Executive Committee Approval	10/11/2023
Anticipated Start Date	2/1/2024

Notice

Prospective proposers who have received this document from a source other than CAPCOG should immediately contact the CAPCOG and provide their name, company, and email address in order that any addendum(s) to the RFP or other communication can be sent to them. Any prospective proposers who fail to provide the division with this information assume complete responsibility in the event they do not receive communications from the division after the RFP issue date.

Background

CAPCOG is requesting proposals from interested parties for professional, financial and compliance audit services of state and federal funds as required by the Single Audit Act of 1996, including the State Single Audit Attachment and Texas Grant Management Standards (TxGMS). Services include an audit of the approximately \$30 million in annual expenditures at CAPCOG, which shall be performed in accordance with GAAS, the standards applicable to financial audits contained in Government Auditing Standards, as issued by the Comptroller of the United States of America, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements, and applicable TxGMS, and the Texas Uniform Grant Management Standards (UGMS) where it may still apply. CAPCOG was organized under state law for the purpose of orderly planning and development of the Central Texas Region. Currently CAPCOG serves a 10-county area including Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Llano, Travis, and Williamson Counties. CAPCOG is a political subdivision of the state and governed by a General Assembly and a 27-member Executive Committee consisting mostly of city and county elected officials. Copies of audit reports from prior years are available at CAPCOG's website at: <https://www.capcog.org/transparency/transparency-reports/>.

CAPCOG manages/services three other affiliated entities:

- The Capital Area Emergency Communications District (CAECD) is a regional communications district formed under state statute which constitutes a blended component of CAPCOG in CAPCOG's financial statements and which accounts for approximately half of CAPCOG's annual financial activity.
- The Capital Area Initiatives Foundation (CAIF), a non-profit 501(c)(3) non-profit organization governed by CAPCOG's Executive Committee to enable the Aging Services Division to support activities that may only be able to be funded through a non-profit organization; and
- The Capital Area Economic Development District (CAEDD), a 501(c)(3) non-profit organization that governed by CAPCOG's Executive Committee to enable CAPCOG to conduct economic development activity that may only be able to be funded through a non-profit organization, but which has not had any financial activity in many years.

The list of funding sources below represents the funding sources that CAPCOG currently has in fiscal year (FY) 2023 (October 1, 2022 – September 30, 2023) and expects to have in FY 2024 (October 1, 2023 – September 30, 2024).

- CAECD:
 - Regional 9-1-1 Services (9-1-1 Service fees)
- Commission on State Emergency Communications (CSEC):
 - Next Generation 9-1-1 (Federal)
- Office of the Governor (OOG) Public Safety Office (PSO):
 - Contract to support Criminal Justice and Homeland Security Grant prioritization processes.
 - State Homeland Security Program (Federal)
 - Regional Law Enforcement Academy Grant (State)
- Texas Commission on Environmental Quality (TCEQ)
 - Rider 7 Local Air Quality Grant (State)
 - Solid Waste Planning Grant (State)
- Texas Department of Agriculture (TDA)
 - Community and Economic Development Assistance Funds (CEDAF) (Federal)

Proposals are due by email to ahoekzema@capcog.org by 4 pm, September 1, 2023

- Texas Department of Transportation (TxDOT)
 - Planning Assistance Contract (State)
- Texas Health and Human Services Commission (HHSC)
 - Title III-B: Supportive Services (Federal)
 - Title III-C1: Congregate Meals (Federal)
 - Title III-C2: Home-Delivered Meals (Federal)
 - Title III-D: Preventative Health (Federal)
 - Title III-E: Family Caregivers (Federal)
 - Title VII – Ombudsman (Federal)
 - Title VII – Elder Abuse Prevention (Federal)
 - State General Revenue (SGR) (State)
 - SGR Meal Rate Increase (State)
 - Health Information, Counseling, and Advocacy Program (HICAP) (Federal)
 - Medicare Improvements for Patients and Providers Act (MIPPA) (Federal)
 - Older Americans Act Nutrition Services Incentive Program for the States (NSIP) (Federal)
 - SGR Ombudsman Assisted Living Facility (ALF) (State)
 - American Rescue Plan (ARP) for Title III-B, III-C1, III-C2, III-D, III-E, VII-Ombudsman, and Elder Abuse Justice Ombudsman – Staff (Federal)
 - General Appropriations Act Local Government Code §394.902 SGR Housing Bond (State)
 - Money Follows the Person (MFP) – Housing Navigator (HN) (Federal)
 - MFP – Local Contact Agency (Federal)
 - Medicare Improvements for Patients and Providers (MIPPA) (Federal)
 - Promoting Independence (PI) (State)
 - State General Revenue – Respite (State)
 - RITE Grant Services (State and Federal)
 - NWD COVID 19 Vaccine Access (Federal)
- U.S. Economic Development Administration
 - Areawide Economic Development (Federal)

Project Description

CAPCOG is seeking qualified financial professionals to perform its required annual Single Agency audit for the next three to five years, covering fiscal years ending September 30, 2023 (FY 2023), September 30, 2024 (FY 2024), and September 30, 2025 (FY 2025), with contract renewal options for fiscal years ending September 30, 2026 (FY 2026), and September 30, 2027 (FY 2027). CAPCOG's budget for fiscal year ending in September of 2023 was \$36 million and CAPCOG's tentative budget for fiscal year ending in 2024 is \$44 million, with a staff of 73 employees.

The audit will require knowledge of all of the following:

1. The Single Audit Act of 1996, as amended.
2. American Institute of Certified Public Accountants (AICPA) Industry Audit Guide, Audits of State and Local Government Units.
3. *Government Auditing Standards*, issued by the Comptroller General of the United States;
4. Applicable pronouncements of the Financial Accounting Standards Board (FASB) and the Government Accounting Standards Board (GASB).
5. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (known as Uniform Guidance).

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6. The U.S. Office of Management and Budget (OMB) Compliance Supplement for Single Audits of state and local governments.
7. Financial/programmatic monitoring reports; investigative reports of Offices of the Inspector General for CAPCOG's grantor agencies, which may have potential audit implications.
8. Grant/Program-specific statutes, regulations, or audit guides provided by state and federal agencies; and
9. *Texas Grant Management Standards* (TxGMS).

The initial audit period will cover CAPCOG's fiscal year 2023, October 1, 2022 – September 30, 2023. The contract awarded through this procurement will also cover fiscal years 2024 and 2025, with two one-year extension options to cover fiscal years 2025 and 2026.

Scope of Work Outline

The selected contractor will be required to perform an agency-wide audit in compliance with the Single Audit Act and OMB Uniform Guidance each year. One of CAPCOG's two affiliated 501(c)(3) organizations – CAIF, receives funds below federal and state audit thresholds, but this contract will include services to file the Internal Revenue Service (IRS) form 990.

The following tasks will be required to be completed by the selected auditing firm:

1. Submit a draft annual financial report by late March/early April.
2. Update and finalize the annual financial report and a separate management report by late April following receipt of any feedback from CAPCOG staff.
3. Participate in a meeting with CAPCOG's Budget and Audit Committee in February of each year at CAPCOG's offices in Austin, Texas.
4. Print 30 copies of the final report for distribution to CAPCOG's Executive Committee and for CAPCOG's records and deliver to CAPCOG offices by the end of the 1st week of May.
5. Present the annual financial report and any conclusions from the audit at CAPCOG's Executive Committee meeting in May or June at CAPCOG's offices; and
6. Complete a form 990 for the CAIF and timely file electronically with the IRS (a copy of CAPCOG's FY 2022 form is available on the "doing business with CAPCOG page under the section for this RFP)

Please note the following regarding availability of audit workpapers:

- Prior year audit workpapers will be made available if requested with reasonable notice.
- The audit and report must cover instances of fraud, waste, and illegal acts or indications of such, including all questioned costs.
- Workpapers for each audit must be retained by the selected firm for a minimum of five years from the date of the audit
- Workpapers for each audit must be made available for examination if requested by authorized representatives of CAPCOG, grantor agencies, or the State Auditor's office.

Also note the following:

- CAPCOG expects the audit work to be completed in a "hybrid" manner, with some in-person work at CAPCOG's offices, and some work being completed remotely.
- As a public agency, CAPCOG's documents must meet accessibility standards, such as being able to be read by a screen-reader, and the selected contractor must be able to deliver the annual financial report in an accessible format.

- Note that CAPCOG is a political subdivision of the State of Texas and as such, is subject to Texas’s Public Information Act requirements.

Project Milestones

The audit must be conducted, completed, and submitted to grantor agencies and the federal clearinghouse no later than June 30 of each year. This deadline includes presentation of the results of the audit to CAPCOG’s Executive Committee, and issuance of the audited financial statements for the fiscal period. In order to meet this deadline, CAPCOG will require the selected contractor to plan for presentation of the final audit to our Executive Committee in the 1st half of May each year in accordance with the timetable below. This schedule gives CAPCOG time to meet other fiscal compliance deadlines and initiate indirect cost rate negotiations for the following fiscal year in a timely manner. The following table identifies key target dates for performance of the contract each year.

Table 2. Target Contract Performance Milestones and Dates

Milestone	Year 1 (for FY 2023)	Year 2 (for FY 2024)	Year 3 (for FY 2025)	Year 4 (for FY 2026)	Year 5 (for FY 2027)
Meeting with CAPCOG Officers	2/14/2024	2/12/2025	2/11/2026	2/10/2027	2/9/2028
Complete and file Form 990 for CAIF with IRS	2/15/2024	2/15/2025	2/15/2026	2/15/2027	2/15/2028
Draft Annual Financial Report Due to CAPCOG	3/29/2024	4/4/2025	4/3/2026	4/2/2027	3/31/2028
Final Version of Annual Financial Report Due to CAPCOG	4/19/2024	4/25/2025	4/24/2026	4/23/2027	4/21/2028
Presentation to CAPCOG Executive Committee	5/8/2024	5/14/2025	5/13/2026	5/12/2027	5/10/2028
Complete and file Form 990 for CAEDD with IRS	5/15/2024	5/15/2024	5/15/2024	5/15/2027	5/15/2028

Method of Payment

Payment shall be made for services rendered and billed by the contractor and received by CAPCOG.

Submission of Proposals

CAPCOG will need to budget time for the review of proposals and therefore must have some advance notice of the number of submissions we expect to receive. Therefore, proposers will be required to submit a “letter of intent” via e-mail to ahoekzema@capcog.org by 4:00 pm on Friday, August 18, 2023, simply stating that the firm intends to submit a proposals in response to this RFP.

Proposals must be submitted to CAPCOG via e-mail to ahoekzema@capcog.org and received by CAPCOG no later than 4:00 pm Central Time, Friday, September 1, 2023.

CAPCOG is not liable for any costs incurred by a proposer in preparing and submitting proposals.

Updates and Additional Information

Updates and additional information related to this RFP may be obtained from CAPCOG’s “Doing Business with CAPCOG” webpage at <https://www.capcog.org/divisions/administrative-services#doing-business>. Any questions regarding this RFP may be e-mailed to Andrew Hoekzema at ahoekzema@capcog.org by

4:00 pm Central Time, Friday, August 18, 2023. CAPCOG will post answers to any questions on the “Doing Business with CAPCOG” page shortly thereafter.

Format and Content

Proposals shall be in Adobe PDF or Microsoft Word, with any supplemental attachments being in either PDF, Word, or another Microsoft Office file type.

Selection Process

Responses to Requests to Proposals will be evaluated by a selection committee that will include officers of CAPCOG’s Executive Committee and senior members of CAPCOG’s staff. The selection committee will evaluate proposals based on the following criteria:

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|---|-----------|
| 1. Relevant Experience (including experience working with COGs): | 25 points |
| 2. Availability of Staff, Professional Qualifications, and Technical Abilities: | 25 points |
| 3. Work Plan: | 15 points |
| 4. References: | 15 points |
| 5. Results of External Quality Control Reviews: | 10 points |
| 6. Price: | 10 points |

A total of 100 points is possible for each proposal. Committee members will score each proposal, and then CAPCOG staff will tally the average score for each proposal and present the results back to the selection committee to determine if they wish to conduct interviews with the top two candidates.

If interviews are conducted, the selection committee will then select a preferred proposal by majority vote and recommend awarding the contract to that proposer to CAPCOG’s Executive Committee.

CAPCOG staff will present the selection committee’s recommendation to the Executive Committee and request the Executive Committee’s approval to award a contract based on the selection committee’s recommendation.

Response Format

Below is a summary of required information and format for the proposal. All proposals should be in 11-point or 12-point font and limited to no more than 20 pages (without attachments) of single-spaced text.

1. **COVER LETTER** (no more than 2 pages): Include a brief cover letter, summarizing the key points of the proposer’s qualifications and a general description of the approach to accomplishing the work. Name and address of the firm, as well as a contact person who submitted the proposal, should be included.
2. **ORGANIZATIONAL/PROFESSIONAL PROFILE** (no more than 2 pages): Describe your organization or the individual professional in terms of its history, primary business, and former and current customers. Please include:
 - a. Ownership information
 - b. Physical and Mailing addresses
 - c. Primary Contact
 - d. Telephone number, fax number and e-mail address of company’s primary contact
 - e. Names of principals of the firm
 - f. Latest Peer Review Report
3. **RELEVANT EXPERIENCE** (25 points): Demonstrate the company’s or Individual’s relevant experience for the type of work solicited in the RFP. Demonstrate that the respondent has

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successfully been in business of providing, or the principals have had ownership/executive management in a previous company with comparable type experience, for the services solicited. Include a discussion of previous experience in similar work, and the result of that experience.

4. **AVAILABILITY OF STAFF, PROFESSIONAL QUALIFICATIONS AND TECHNICAL ABILITIES** (25 points): Include resumes or work history of individuals proposed to accomplish the work. Describe the role of key staff in the project including the identification of the audit manager. Provide detail on the proportion of time each staff member will allocate to each part of the project.
5. **WORK PLAN** (15 points): Describe your technical approach and work plan to complete the tasks described in the RFP's Scope of Work. Provide a schedule describing how the work would be accomplished.
6. **REFERENCES** (15 points): Please provide at least three references for audit services comparable to those solicited.
7. **RESULTS OF EXTERNAL QUALITY CONTROL REVIEWS** (10 points): Provide copies of external quality control reviews (peer reviews).
8. **PRICE** (10 points): Provide a budget cost for each year of the project and any relevant detail as to the break-down of those costs by task/staff member and any items that are noteworthy that may be considered in-scope or out of scope.
9. **ATTACHMENTS**: As may be necessary, including required certifications (does not count against the 20-page limit).

Required Certifications

Five (5) certification forms are required for this project. Four are to be completed and submitted to CAPCOG directly. These four forms are provided as attachments to this RFP.

1. Certification of Compliance with Small, Disadvantaged, Minority, Women-Owned, And Historically Underutilized Business Policy
2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Lower-Tier Covered Transactions
3. Certification Regarding Lobbying
4. Conflict of Interest Questionnaire (IF APPLICABLE) - Chapter 176 of the Texas Local Government Code requires vendors and consultants contracting or seeking to contract with CAPCOG to file a conflict of interest questionnaire (CIQ) if they have an employment or other business relationship with an CAPCOG officer or an officer's close family member.

The fifth form must be completed online:

5. Certificate of Interested Parties Form – Form 1295 (sample provided)

Texas law states that a governmental entity or state agency may not enter certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The required form and instructions are located at the Texas Ethics Commission Website.

Additional Information

CAPCOG may request in writing additional information from a proposer relating to the proposal and the proposer agrees to furnish it within a reasonable time.

Use of Copyrighted Material in Response

CAPCOG reserves an irrevocable, nonexclusive, and royalty-free right to use, reproduce, and copy, for a governmental purpose, all copyrighted material included in the Statement of Work.

Amendment or Withdrawal of Proposal

Prior to the due date, a proposer may withdraw its proposal if there is a material mistake and may submit a corrected Statement of Work by the due date. For a period of 90 days following the due date, a proposer may not withdraw or amend its proposal. CAPCOG may waive an error in or omission from a proposal Response to RFP if the error or omission is not material.

Award of Contract

CAPCOG will award this contract to the proposer that it determines will provide the best value. Approval of the contract is subject to CAPCOG's Executive Committee. Once the contract is awarded, CAPCOG reserves the right to negotiate its terms with the successful proposer, and – if negotiations fail, negotiate terms with another proposer who provided a responsive proposal. A proposer selected because of this solicitation and the staff proposed for the audit may be subject to criminal background checks as a condition to entering a contract.

CAPCOG is posting a draft contract on our website at <https://www.capcog.org/divisions/administrative-services#doing-business>. CAPCOG expects to adapt the successful proposal to serve as the scope of work ("Attachment A") in the awarded contract. Unless a proposer asks a question about any of the contract provisions

CAPCOG reserves the right to reject any or all proposals. If CAPCOG rejects all proposals, it may solicit new proposals if CAPCOG determines that it is in its best interest to do so.

Resolution of Protested Solicitation or Contract Award

An unsuccessful bidder/offeree/quoter may protest the procurement process by following the procedure as available on the CAPCOG website, <https://www.capcog.org/divisions/administrative-services#doing-business>. The protest must be made within **five** business days of the date the basis of the protest to the procurement process became known or should have become known to the protester, whichever is earlier. The protest must be submitted in writing to CAPCOG, to the attention of the contact person, and identify and be signed by the protester. A protest shall be submitted to CAPCOG to the attention of Betty Voights, Executive Director, at 6800 Burleson Road, Building 310, Suite 165, Austin, TX 78744.

Potential Changes in Contracts Post-Award

Changes in state and/or federal legislation, rules, or regulations may result in a requirement to renegotiate contracts at any time prior to or during the contract period. Substantive changes to project content, procedures, or budgets during the life of the contract may be accomplished by negotiating these modifications with CAPCOG. CAPCOG will also pursue any necessary and appropriate contract modifications should legal or other changes occur in the project to sufficiently alter the original terms of the contract. No further solicitations or Requests for Proposals will be required in such cases.

Reference Information - Other contractual requirements

Section 1.113 CAPCOG Procurement Policies: Public Access to Procurement Information

Public Access to Procurement Information: Procurement information shall be a public record to the extent provided by the Texas Public Information Act and the Freedom of Information Act, as applicable, and shall be available to the public as provided therein. If a proposal contains information that the bidder considers proprietary and does not want disclosed to the public or used for any purpose other than the evaluation of the offer, all such information must be indicated and clearly marked on each page of the proprietary or confidential document(s).

The information submitted during a procurement process is protected from disclosure until a contract is awarded. All proposals are open for public inspection after the contract is awarded, but proprietary and confidential information in the proposals are not open for public inspection.

Equal Opportunity/Non-Discrimination

All contracts awarded by CAPCOG are subject to the provisions listed below.

1. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin, age or disability. The CONTRACTOR will take action to ensure that employees or applicants for employment are treated fairly during employment or the application process, regardless of race, color, sex, religion, national origin, age, or disability. The CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment notices (provided by an appropriate agency) of federal government nondiscrimination provisions.
2. The CONTRACTOR will state, in all solicitations or advertisements for employment (by or on behalf of the CONTRACTOR), that all qualified applicants will receive consideration for employment regardless of race, color, sex, religion, national origin, age, or disability.

Small, Disadvantaged, Minority, Women-Owned and Historically Underutilized Businesses: Federal Assistance or Contract Procurement Requirements

6-101. Policy Statement

It shall be the policy of CAPCOG to assist small, DBE, MBE, women-owned businesses and HUBs in learning how to do business with CAPCOG. It shall be the further policy of CAPCOG that these sources shall have the maximum feasible opportunity to compete.

6-102. Bidder/Offeror Statement

Every solicitation for procurement must require that each bidder or offeror include a statement that the bidder or offeror will comply with this Policy.

6-103. To ensure that CAPCOG's policy to assure that small, MBEs, DBEs, women-owned businesses, and HUBs are utilized, CAPCOG and its contractors and subcontractors should take the following affirmative steps:

1. Include qualified small, MBEs, DBEs, women-owned businesses, and HUBs on the Bidders' List. State lists may be utilized to locate such businesses by contacting the General Services Commission;

2. Assure that small, MBEs, DBEs, women-owned businesses, and HUBs are solicited whenever they may be potential sources. In this regard, CAPCOG should investigate new sources and advertise when feasible in minority publications;
 3. When economically feasible, and where not in contravention of competitive bidding requirements, CAPCOG should divide the total requirements into smaller tasks or quantities so as to permit maximum small, MBE, DBE, women-owned businesses and HUB participation;
 4. Use the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce, the Minority Business Development Agency in the Department of Labor, the Texas General Services Commission and other similar agencies for locating such businesses;
 5. Require that prime contractors take affirmative and meaningful steps towards retaining small, MBE, DBE, women-owned businesses and HUB subcontractors;
 6. Procure goods and services from labor surplus areas;
 7. If feasible, establish delivery schedules that encourage small, MBEs, DBEs, women-owned businesses, and HUBs to participate; and,
 8. Advertise, at least annually, in a newspaper of general circulation for small, MBEs, DBEs, women-owned businesses and HUBs to be added to the Bidders' List.O
- 6-104. For such affirmative steps to be meaningful, CAPCOG should review all solicitations, offers and bids to confirm that such affirmative action steps have been taken. In addition, steps should be taken to ensure that once a contract is awarded to a small, MBE, DBE, women-owned business, and/or HUB, or that the award is given to a contractor with such a subcontractor, that such business is retained during the entire performance of the contract.
- 6-105. Failure of a contractor to take meaningful affirmative steps at soliciting and retaining small, MBEs, DBEs, women-owned businesses and HUBs may be considered as a factor in evaluating future bids under non-compliance with public policies; however, this factor may not be a consideration in procurements involving purely state or local funds as Texas law requires awards to be made to the lowest responsible bidder.
- 6-106. For procurements costing more than \$3,500 but less than \$50,000 the Division Director shall contact at least two HUBs on a rotating basis, based on information provided by the Texas General Services Commission. If the list fails to identify a historically underutilized business in the area, CAPCOG is exempt from this section.