



Request for Proposal

Uniform Guidance Request for Proposal for Audit Services

For the period
July 1, 2022 to June 30, 2023

Inquiries and proposals should be directed to:

Name: Elida D. Gonzales

Title: AVANCE Inc. CFO

Entity: AVANCE Inc.

Address: 824 Broadway, Suite #204
San Antonio, TX 78215

Phone: 210-270-4630 ext. 673

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General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending June 30, 2023. The proposal includes options for four additional years.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on February 7, 2023.
2. Inquiries: Inquiries concerning this RFP should be directed to Elida D. Gonzales at 210-270-4630 ext. 673.
3. Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by *AVANCE, Inc.*
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Name: Elida D. Gonzales
Title: AVANCE Inc. CFO
Entity: AVANCE Inc.
Address: 824 Broadway, Suite #204
San Antonio, TX 78215

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal 4:30 p.m. February 7, 2023
Sealed Proposal for Audit Services

5. Electronic Submissions: Proposals can be submitted electronically to the following email address: rfpcontact@avance.org by the closing submission date noted above.

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to ensure that the proposal is received by *AVANCE, Inc.* by the date and time specified above.

Late proposals **will not be** considered.

6. Right to Reject: *AVANCE, Inc.* reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

7. Small and/or Minority-Owned Businesses: Efforts will be made by *AVANCE, Inc.* to utilize small businesses and minority-owned businesses. An Offeror qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).

8. Notification of Award:

a. It is expected that a decision selecting the successful audit firm will be made within 3 weeks of the closing date for the receipt of proposals.

Estimated Timeline – The dates listed below are subject to change without notice.

January 6, 2023 RFP/RFQ Released
February 7, 2023 by 4:30 PM Central Time Proposals Due
February 8-23, 2023 Proposals Evaluated
March 3, 2023 AVANCE National Board Approval and Award
March 13, 2023 Notices mailed
July 24, 2023 Start Field Work

b. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

D. Description of entity and records to be audited

AVANCE, Inc. (the Organization) was established in 1973 and operates as a private, nonprofit organization providing educational programs for parents and children. The Organization has been determined to be exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code and has established a National Office in San Antonio, Texas as part of a plan to expand its programs nationally.

The Organization operates services out of the National Office in the Texas Rio Grande Valley as well as in El Paso. In addition, there are incorporated chapters in major cities throughout Texas to include San Antonio, Houston, Dallas, and Austin. It is governed by a National volunteer Board of Directors. Each incorporated chapter also has local boards of directors that govern their respective chapters.

Administrative offices and all records are located at each respective City. Each chapter maintains their separate accounting records. AVANCE National along with AVANCE Austin and AVANCE Dallas use Sage Intacct accounting system. AVANCE San Antonio uses Microsoft Dynamics Great Plains accounting software and AVANCE Houston uses MIP. All Chapters with the exception of AVANCE Houston use Paycom for payroll processing; AVANCE Houston uses Paycor.

AVANCE, Inc. receives a substantial portion of its financial support from federal, state, and local governmental entities as well as from private sources.

It is the intent of this RFP to have records audited during fieldwork in the respective Chapters' city to include San Antonio, Houston, Austin and Dallas. Fieldwork should be determined based on the delivery schedule below. The consolidated fieldwork should be done at AVANCE National Office in San Antonio.

E. Options

At the discretion of AVANCE, Inc., this audit contract can be extended for four additional one-year periods. Please include the cost for the option periods in the proposal.

Specification Schedule

A. Scope of Services

The purpose of this RFP is to obtain the services of a public accounting firm, 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, hereinafter referred to as the "Offeror" to perform:

1. A certified audit of books and records, presenting comparative figures for the current and previous year, to include the following elements:
 - A statement of financial position as of June 30 for each year presented.
 - A statement of activities for the years ending June 30
 - A statement of functional expenses for the years ending June 30
 - A statement of cash flows for the years ending June 30
 - The necessary footnotes
 - A schedule of supplemental data as provided AVANCE, Inc.

2. An audit of compliance in accordance with *Government Auditing Standards* and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
3. Preparation of Form 990 for the current year ending June 30 for AVANCE National as well as the Group return. For “information purpose only” Form 990’s will be completed for the AVANCE Chapters as well. This return will be developed as though it were going to be filed, and will be made available to the general public through Guidestar and to specific funders who request it. Therefore, the requirement is for an internal version with all the donor information that is required and a public one where the donor information (names and amounts) are not disclosed.
4. The Offeror will complete the Offeror’s portion of the Standard Form SF-SAC, "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations for AVANCE, Inc., AVANCE San Antonio, Inc., and AVANCE Houston, Inc.

B. Description of Programs/Contracts/Grants

AVANCE has Head Start grants that qualify as major federal programs with the Department of Health and Human Services. The Head Start Audit Supplement includes three major areas of audit inquiry: I. Program Objectives; II. Program Procedures; and III. Compliance Requirements. The Program Objectives and Program Procedures sections provide a detailed overview of Head Start and Early Head Start program goals, objectives, administration, services, and program options. The Compliance Requirements section addresses the following required areas of compliance:

- Activities Allowed or Unallowed
- Allowable Costs/Cost Principles
- Cash Management*
- Davis-Bacon Act
- Eligibility
- Equipment and Real Property Management
- Matching, Level of Effort, Earmarking
- Period of Availability of Federal Funds*
- Not Applicable
- Program Income
- Not Applicable
- Reporting
- Sub-recipient Monitoring

C. Performance

AVANCE, Inc.'s records should be audited through June 30, 2023.

The Offeror is required to prepare the following in accordance with the *Government Audit Standards* and the *Uniform Guidance*:

1. Consolidated Financial Statements and Single Audit Reports
2. Individual Financial Statement and Audit Reports for AVANCE San Antonio and AVANCE Houston

D. Delivery Schedule

Offeror is to transmit one copy of the individual chapter draft audit report as follows:

<i>Chapter</i>	<i>Audit Draft due Date</i>	<i>Audit Final Due Date</i>	<i>Form 990 Due</i>	<i>Federal Data Collection Form</i>
<i>AVANCE San Antonio</i>	<i>October 9, 2023</i>	<i>October 20, 2023</i>	<i>November 30, 2023</i>	<i>Individual</i>
<i>AVANCE Houston</i>	<i>October 9, 2023</i>	<i>October 20, 2023</i>	<i>November 30, 2023</i>	<i>Individual</i>

Offeror is to transmit one copy of the consolidated draft audit report no later than November 15, 2023.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, AVANCE, Inc. may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances, the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

F. Payment

Payment will be made when AVANCE, Inc. determines that the total work effort has been satisfactorily completed. Should AVANCE, Inc. reject a report, AVANCE, Inc.'s authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that AVANCE, Inc. can determine that satisfactory progress is being made. Upon delivery of the final reports to AVANCE, Inc. and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

G. Exit Conference

An exit conference with AVANCE, Inc.'s representatives and the Offeror's representatives will be held at the conclusion of the fieldwork to include observations and recommendations summarized in writing. It should include internal control and program compliance observations and recommendations.

H. Workpapers

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and AVANCE, Inc.

I. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to AVANCE, Inc., the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis.

The Offeror agrees to immediately notify, in writing, AVANCE, Inc.'s authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

J. Performance Standards

In the performance of these audit services, the offeror must comply with the independence standards promulgated by the American Institute of Certified Public Accountants, General Accounting Office and any other standards promulgated by any other authoritative body, as applicable to the performance of independent audit standards.

Technical Qualifications

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its auditing experience in the last five years relevant to the Scope of Services outlined in this RFP. Provide the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing Head Start/Early Head Start agencies.
2. Prior experience auditing the Community Development Block Grant (CDBG).
3. Prior experience auditing similar programs operated by AVANCE, Inc.
4. Prior experience auditing nonprofit organizations.

B. Value-Added Services beyond the Audit

The Offeror should include an explanation of other services that can and have been provided to organizations similar to AVANCE, Inc. Value-added services provide efficiencies and improved compliance that contribute to the continued success of AVANCE, Inc. Value-added services can include consulting and training services as well as industry-specific products.

C. Organization, Size, and Structure

The Offeror should describe its organization, size and structure. Indicate if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

D. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members. Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience.
4. Office location should be provided for assigned staff and an estimate of the percent of time to be spent at AVANCE locations vs remotely.

E. Audit Approach to the Engagement

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

F. Certifications

The Offeror must sign and include, as an attachment to its proposal, the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by AVANCE, Inc., because AVANCE, Inc. desires to contract only with an Offeror who is already familiar with these publications.

Proposal Evaluation

A. Submission of Proposals

All proposals shall include two copies of the Offeror's technical qualifications, two copies of the pricing information (in a separately sealed envelope unless submitted electronically), and two copies of the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

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

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the Government Audit Standards of the U.S. Comptroller General.

C. Proposal Evaluation

In compliance with 2 CFR Part 200.319 – Competition, no geographic preferences will be given in the evaluation of this proposal, since the section states, "The non-federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference."

Evaluation of each proposal will be scored on the following six factors:

1. Prior audit experience. Max Points 25
 - a. Prior experience auditing nonprofit organizations.
 - b. Prior experience auditing similar programs funded by *AVANCE, Inc.*
 - c. Prior experience auditing nonprofit organizations.

AVANCE, Inc. will contact prior audited organizations to verify the experience provided by the Offeror.

2. Value-added services beyond the audit. Max Points 5

3. Organization, size, and structure of Offeror's firm. Max Points 10

- a. Adequate size of the firm
- b. Minority/small business

4. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Include education, position in firm, years and types of experience. Max Points 25

- a. Audit team makeup
- b. Overall supervision to be exercised
- c. Prior experience of the individual audit team members

5. Offeror's understanding of work to be performed. Max Points 15

- a. Adequate coverage
- b. Realistic time estimates of each audit step

6. Price. Max Points 20

Maximum Points 100

D. Review Process

In compliance with Uniform Guidance 2 CFR Part 200.319 – Competition, *AVANCE, Inc.* has conducted this procurement in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference.

AVANCE, Inc. may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, AVANCE, Inc. 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, from both technical and price standpoints, which the Offeror can propose.

AVANCE, Inc. contemplates award of the contract to the responsible Offeror with the highest total points.

Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
6. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before June 2023.
7. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
8. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours of education will be in subjects directly related to the government environment and to government auditing for individuals.
9. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - a. *Government Auditing Standards* (Yellow Book)
 - b. *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”)
 - c. *Audits of not-for-profit entities* (AICPA Audit Guide)

11. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.

12. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20_____.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)