



WILLAMETTE WORKFORCE

— PARTNERSHIP —

**Request for Proposals
Professional Audit Services**

January 17, 2019

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I. INTRODUCTION

A. General Information

Willamette Workforce Partnership is soliciting proposals from qualified certified public accounting firms to provide audit and tax preparation services. The anticipated contract period for this engagement will be for the fiscal year ending June 30, 2019, with an option to extend for each of the four (4) subsequent fiscal years. These audits are to be performed in accordance with Generally Accepted Auditing Standards; the standards set forth for financial audits in the Government Auditing Standards issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. and Local Governments and Non-Profit Organizations.

There is no expressed or implied obligation for Willamette Workforce Partnership to reimburse firms for any expenses incurred in preparing proposals in response to this request.

Willamette Workforce Partnership was established by the Local Workforce Investment Board of Marion, Polk and Yamhill counties as a stand alone 501(c)(3) non-profit to act as the administrative and fiscal entity in carrying out the Board's obligations relative to the Workforce Investment Act. In 2015, a redesign of the board configurations in Oregon added Linn County to the region covered by Willamette Workforce Partnership.

To be considered, a proposal must be received by Willamette Workforce Partnership at 626 High Street NE, Suite 305, Salem, OR 97301, by 2:00 PM, on Friday, February 22, 2019. Electronic proposals will be accepted by e-mailing to accounting@willwp.org. Submission of a proposal indicates acceptance by the respondent of the conditions contained in this Request for Proposals (RFP) unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Willamette Workforce Partnership and the firm selected. Willamette Workforce Partnership reserves the right to reject any or all proposals submitted.

The Willamette Workforce Partnership Board will evaluate all proposals submitted and reserves the right to request additional information or clarification from responding firms, or to allow corrections of errors or omissions, when it may serve Willamette Workforce Partnership's best interest.

It is anticipated the preliminary selection of a firm will be completed by March 23, 2019. It is expected an agreement will be executed between the parties no later than April 30, 2019.



B. Term of Engagement

An initial one (1) year engagement is contemplated, with up to four (4) subsequent fiscal years, subject to the annual review and recommendation of Willamette Workforce Partnership's Board of Directors, satisfactory negotiation of terms (including a price acceptable to both Willamette Workforce Partnership and the selected firm), and the annual availability of appropriations.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work

Willamette Workforce Partnership is soliciting proposals from qualified certified public accounting firms to conduct the annual independent audit of the organization's financial transactions and express an opinion on the fairness of the presentation of Willamette Workforce Partnership's financial statements, individual funds and component units. These audits are to be performed in accordance with the provisions contained in this RFP.

B. Auditing Standards

To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the Generally Accepted Auditing Standards; the standards set forth for financial audits in the Government Auditing Standards issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200.

C. Reports Required

Following the audit of the fiscal year's financial statements the auditor shall prepare and issue:

1. Report on internal accounting and administrative controls at the general purpose financial statement level and the federal assistance program level.
2. Report on compliance with laws, regulations, and general and specific requirements of Willamette Workforce Partnership's major federal assistance programs in accordance with the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, and pronouncements of the U.S. Departments of Labor, State of Oregon, Linn County, Marion County, Polk County, Yamhill County, and other governmental institutions, including all compliance requirements of the Workforce Innovation and Opportunity Act.
3. (Form 990) Organization Exempt from Income Tax and (Form CT-12) Annual Report - Charitable Organizations for filing with the Internal Revenue Service and the State of Oregon.



4. Letter to Management and the Board of Directors to communicate any weaknesses noted in the systems of internal accounting control or in other financial management practices, and to provide any other meaningful related advice.
5. Report to the Willamette Workforce Partnership Board of Directors in accordance with U.S. Auditing Standards, including comments on the auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting estimates, significant audit adjustments, and major issues discussed with management.
6. Provide periodic written notices interpreting accounting principles or regulatory pronouncements that may affect Willamette Workforce Partnership's financial statements.
7. Deliver appropriate presentations, as requested, to Willamette Workforce Partnership's management and Board of Directors following the conclusion of the audit, discussing results of the audit, findings, recommendations and relevant performance trends.

All report preparation, proofreading, printing, and binding shall be the responsibility of the auditor.

D. Special Considerations

Willamette Workforce Partnership has determined that the U.S. Department of Labor will function as the cognizant agency.

E. Working Paper Retention and Access

All working papers and reports must be retained at the auditor's expense for a minimum of three (3) years, unless the firm is notified in writing by Willamette Workforce Partnership that there is a need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- Willamette Workforce Partnership
- U. S. Department of Labor
- U. S. General Accounting Office
- Oregon Higher Education Coordinating Commission, Office of Workforce Investment
- Parties designated by Federal or State governments or by Willamette Workforce Partnership as part of an audit quality review process.
- Auditors of other entities of which Willamette Workforce Partnership is a sub-recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF WILLAMETTE WORKFORCE PARTNERSHIP

A. Background Information

Willamette Workforce Partnership is a non-profit 501(c)(3) organization established in 2007 by the Local Workforce Investment Board, which at that time consisted of Marion, Polk and Yamhill Counties. Linn County was added to the Workforce Region in 2015 through a reorganization of the State of Oregon workforce areas. Willamette Workforce Partnership's core responsibility is the management of Workforce Innovation and Opportunity Act (WIOA) funds, plus other employment and training funds targeted to meeting strategic workforce development needs. Willamette Workforce Partnership currently has eight (8) employees and an annual budget of approximately \$6,000,000. Nearly all funding is through Federal, State of Oregon, and Local Government, including formula and competitive grants.

Though Willamette Workforce Partnership is a non-profit, governments are the primary sources of funds. Consistent with this funding, Willamette Workforce Partnership utilizes fund accounting principles.

Willamette Workforce Partnership's accounting and financial reporting functions are centralized, and performed by Willamette Workforce Partnership employees.

B. Fund Structure

Willamette Workforce Partnership receives the majority of its funding via the Workforce Innovation and Opportunity Act across several programs. In addition, Willamette Workforce Partnership is a recipient of State of Oregon funding for Work Experience, Business Engagement and Board Support, as well as a US Department of Labor Workforce Innovation Fund grant.

C. Budgetary Basis of Accounting

Willamette Workforce Partnership prepares its accounting records and budgets on a basis consistent with generally accepted accounting principles.

Willamette Workforce Partnership prepares an Annual Budget based upon awarded competitive grants and best estimates of formula-based funding. The Budget is periodically modified to reflect current funding information. A quarterly recap of the current budget status is presented to the Willamette Workforce Partnership Board of Directors following the quarter-end close.

D. Federal and State Financial Assistance

During fiscal year 2018-2019, Willamette Workforce Partnership is receiving primary financial assistance through the following federal and state programs:

<u>Program</u>	<u>CFDA Number</u>
USDOL WIOA Adult Programs	17.258
USDOL WIOA Youth Activities	17.259
USDOL WIOA Dislocated Workers	17.278
USDOL Workforce Innovation Fund	17.283
State of Oregon General Funds	N/A

E. Retirement Plans

Willamette Workforce Partnership adopted a Flexible Standard 401(k) Profit Sharing Plan March 1, 2008. This plan is a defined contribution plan covering all full-time employees.

F. Magnitude of Finance Operations

Willamette Workforce Partnership fiscal operations are conducted by our internal fiscal staff, utilizing Abila MIP Fund Accounting for accounting and financial tracking and reporting.

IV. TIME REQUIREMENTS

A. Fiscal Year End Calendar

The fiscal year end is June 30. The accounting ledgers remain open through Mid-September each year to record revenue and accounts payable accruals and further year-end adjustments, accruals, and corrections. The general ledger, financial statements and supporting documentation are finalized and ready for audit review by September 30.

B. Final Report Due Date

Completion of the audit, including the Independent Auditors Report on Internal Control, Compliance and Management Letter, and other required elements should be completed and the final report delivered by January 31, 2020.

V. AUDITOR ASSISTANCE AND REPORT PREPARATION

A. Fiscal Unit and Clerical Assistance

Willamette Workforce Partnership fiscal staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of audit confirmation requests will be the responsibility

of Willamette Workforce Partnership upon notification of confirmations required by the audit staff.

B. Work Area, Telephone, and Office Equipment

Willamette Workforce Partnership will provide the auditor with a reasonable workspace, desks and chairs. The auditor will also be provided with access to internet and telephone, photocopying and fax machines, etc.

C. Report Preparation

Report preparation, printing, and binding shall be the responsibility of Auditor. In addition, Auditor shall provide Willamette Workforce Partnership with an electronic copy of all reports (PDF or like format) for reproduction ease.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

To be considered, the firm's proposal must be received by 2:00 PM, Friday, February 22, 2019:

- 1) The Proposal is to include the following:
 - a) Title Page showing the request for proposal subject; the firm's name, a contact person name, address and telephone number; and the date of the proposal.
 - b) Table of Contents
 - c) Signed Transmittal Letter briefly confirming understanding of the work to be done, commitment to perform the work within the time period, a statement why the firm is the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty (60) days.
 - d) Detailed Proposal following the order set forth in Section VI.B. of this RFP.
 - e) Detailed pricing structure as set forth in Section VI.C. of this RFP.
- 2) The completed package should be sent to the following:

Willamette Workforce Partnership
Attn: Director of Administration and Finance
626 High Street NE, Suite 305
Salem, OR 97301

B. Technical Proposal

1. General Requirements

The purpose of the Proposal is to demonstrate the qualifications, competence, and capacity of the firm seeking to undertake an independent audit of Willamette

Workforce Partnership in conformity with the requirements of this RFP. As such, the substance of a proposal will carry more weight than the form or manner of presentation. The Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of this RFP. While additional data may be presented, the following subjects, items numbered 2 through 8, must be included.

2. Independence

Provide an affirmative statement that the firm is independent of Willamette Workforce Partnership as defined by generally accepted auditing standards of the U.S. General Accounting Office's Government Auditing Standards. List and describe the firm's professional relationships involving Willamette Workforce Partnership or any of its oversight units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

(In addition, the successful firm shall give Willamette Workforce Partnership written notice of any professional relationships, which may constitute a conflict of interest, entered into during the period of this agreement.)

3. License to Practice in the State of Oregon

An affirmative statement verifying the firm and all assigned key professional staff are properly licensed to practice in the State of Oregon.

4. Firm Qualifications and Experience

State the size of the firm and the location of the office from which the work on this engagement is to be performed.

Provide a copy of a report on the firm's most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific non-profit or local government engagements.

Provide information on the results of any Federal or State desk reviews or field reviews of the firm's audits during the past three (3) years. In addition, the firm should provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with State regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory or management staff and any specialists who would be assigned to this engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in the State of Oregon and provide information on the government auditing experience of each person. Provide information regarding the number, qualifications, experience and training of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured, and whether they will be assigned on a full or part-time basis to this engagement.

6. Similar Engagements with Non-Profits and/or Local Governments

List the five (5) most significant engagements performed by the firm's office that will be assigned responsibility for the audit in the last five (5) years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

Set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this RFP. In developing the work plan, reference should be made to such sources of information as Willamette Workforce Partnership's budget and related materials, organizational charts, manuals, programs, and financial and other management information systems.

Provide the following information on the proposed audit approach:

- a. Segmentation of the engagement;
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement;
- c. Sample and the extent to which statistical sampling is to be used in this engagement;
- d. Type and extent of analytical procedures to be used in this engagement;
- e. Approach to be taken to gain and document an understanding of Willamette Workforce Partnership's internal control structure;
- f. Approach to be taken to determine laws and regulations that will be subject to audit test work; and
- g. Approach to be taken to draw audit samples for purposes of compliance testing.

8. Identification of Anticipated Potential Audit Problems

Identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that may be requested from Willamette Workforce Partnership.

C. Detailed Pricing Structure

1. Total All-Inclusive Maximum Price

All pricing information relative to performing the audit engagement as described in this RFP. The total all-inclusive maximum price amount is to contain all direct and indirect costs including all out-of-pocket expenses. Willamette Workforce Partnership will not be responsible for expenses incurred in preparing and submitting this RFP response. Such costs should not be included in the proposal.

A total all-inclusive maximum price for fiscal year 2018-2019. Willamette Workforce Partnership will negotiate the rate for future fiscal year extensions based on the actual costs of the 2018-2019 audit and any additional, pertinent information either Willamette Workforce Partnership or firm may have received.

2. Schedule of Professional Fees and Expenses

Include a schedule detailing rates by partner, specialist, supervisor and staff levels; the hours anticipated for each; and the extended amounts, to support the total all-inclusive maximum price.

3. Out-of-Pocket Expenses

All estimated out-of-pocket expenses to be reimbursed should be presented. All expense reimbursements shall be included in and support the total all-inclusive maximum price submitted by the firm.

4. Rates for Additional Professional Services

If it should become necessary for Willamette Workforce Partnership to request the auditor to render any additional services to either supplement the services requested in this RFP or as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the agreement between Willamette Workforce Partnership and the firm. Any such additional work agreed to between Willamette Workforce Partnership and the firm shall be performed at the same rates set forth in the schedule of fees and expenses.

5. Manner of Payment

Progress payments may be requested on the basis of hours of work completed during the course of this engagement and out-of-pocket expenses incurred, in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than one calendar month.

VII. EVALUATION PROCEDURES

A. RFP Inquiries

All inquiries related to the RFP are to be submitted electronically. E-mail inquiries should be identified on the e-mail as “Audit RFP Inquiry” and sent to accounting@willwp.org.

Written questions received after the RFP has been published and before 5:00 p.m., February 15, 2019, will be responded to within 72 hours by posting on the Willamette Workforce Partnership website at www.willwp.org. Questions received after February 15, 2019, will not be answered.

B. Audit Committee

Proposals submitted will be evaluated by a committee designated by Willamette Workforce Partnership Board of Directors for that purpose.

C. Review of Proposals

A point formula will be used during the review process to score proposals. Each member of the committee will score the Proposals according to the criteria described in Section VII.D. (1&2) below. The full committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with unacceptably low technical scores will be eliminated from further consideration.

After the composite technical score for each firm has been established, the Detailed Pricing Structure will be reviewed and additional points will be added to the technical score based on the price presented. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate shares of the maximum score will be assigned to other proposals, based on their pricing relation to the lowest price.

Willamette Workforce Partnership reserves the right to retain all proposals submitted and use any idea(s) in a proposal regardless of whether that proposal is selected.

D. Evaluation Criteria

Proposals will be evaluated using three (3) sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Oregon.

- b. The audit firm is not excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.'s 12549 and 12689, "Debarment and Suspension."
 - c. The firm has no conflict of interest with regard to any of the work performed by the firm for Willamette Workforce Partnership.
 - d. The firm adheres to the instructions in this RFP on preparing and submitting the proposal.
 - e. The firm submits a copy of its last external quality control review report and has a record of quality audit work.
2. Technical Quality (maximum points - 60)
- a. Expertise and Experience
 - i) The firm's past experience and performance on comparable non-profit and/or local government engagements. (15 points)
 - ii) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation. (15 points)
 - b. Audit Approach
 - i) Adequacy of proposed staffing plan for various segments of the engagement. (10 points)
 - ii) Adequacy of sampling techniques. (10 points)
 - iii) Adequacy of analytical procedures. (10 points)
3. Price: (maximum points - 40)
- a. Methodology of pricing structure (10 points)
 - b. Competitiveness of pricing comparable to other respondents (10 points)
 - c. Reasonableness of pricing comparable to the current marketplace for audit services (10 points)
 - d. Inclusion of all required pricing components (10 points)

E. Oral Presentations

During the evaluation process, the Willamette Workforce Partnership may at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.